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The Commonwealth of Massachusetts

ANNUAL REPORT

OF THE

COMMISSIONER OF INSURANCE

FOR THE

YEAR ENDING DECEMBER 31, 1945

PART I

FIRE AND MARINE INSURANCE

DEPARTMENT OF BANKING AND INSURANCE

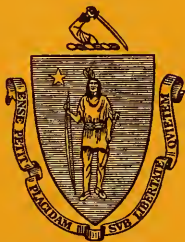


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The Commonwealth of Massachusetts

DEPARTMENT OF BANKING AND INSURANCE,
DIVISION OF INSURANCE, BOSTON, DECEMBER 31, 1945.

To the General Court of Massachusetts:

This is Part I of the Ninety-first Annual Report of the Commissioner of Insurance. This part of the Report contains information relating to fire and marine insurance companies authorized to transact business within the Commonwealth during the calendar year 1945. Following this Report and included as a part thereof, is published the entire Report of the Division of Fire Prevention of the Department of Public Safety. The publication of this latter mentioned Report by the Commissioner of Insurance is required by law.

STATE REGULATION AUTHORIZED BY UNITED STATES PUBLIC LAW 15 SOUTH-EASTERN UNDERWRITERS' DECISION

The General Court of this Commonwealth is aware of some of the problems flowing from the decision of the United States Supreme Court rendered on June 5, 1944, in the case of the United States *vs.* the South-Eastern Underwriters Association, *et al.*, 322 U. S. 533. That historic decision, holding for the first time that insurance is commerce and when conducted across State lines, interstate commerce, seriously challenged the validity of a number of State laws in the opinion of the dissenting Justices. The Majority Opinion on this point stated, "the argument that the Sherman Act necessarily invalidates many State laws regulating insurance, we regard as exaggerated." The decision, coupled with the division of judicial opinion, casts doubt upon the validity of considerable legislation enacted by the several States regulating the insurance business over a long period of years.

The National Association of Insurance Commissioners, the insurance industry and the Congress immediately recognized the dilemma confronting the insurance supervisors and the insurance business. The National Association of Insurance Commissioners instructed the Committee on Federal Legislation to confer with the insurance industry and interested members of the public for the purpose of acquiring the most comprehensive information possible as a basis for specific recommendation to the Executive Committee of the Association. The meetings of the Committee were held in various places throughout the country. Notices of the meetings were widely publicized. All interested persons were invited to appear. Public and private hearings and conferences were held. A wealth of memoranda, briefs and other information — the product of abundant research — were made available to the Committee.

In November of 1944, a Legislative Proposal* was completed and submitted to the Congress as authorized by the Executive Committee of the Association. A comprehensive report of the work of this Committee, together with a copy of the Legislative Proposal, and a report of the activities of your Commissioner of Insurance in Washington, with regard to this Proposal, are contained in my report for the year 1944, filed with your Honorable Body. The 78th Congress did not enact legislation in 1944, although the Legislative Proposal did receive favorable consideration from a number of members of Congress. It was included in the Congressional Record at the request of Senator Carl Hatch of New Mexico.

The semi-annual meeting of the National Association of Insurance Commissioners in December 1944, adopted the following resolution:

* See Ninetieth Report of the Commissioner of Insurance — 1944.

"*RESOLVED*, that in view of the necessity for immediate action by the Congress, Newell R. Johnson, President of the National Association of Insurance Commissioners, be and he hereby is authorized and empowered to take such steps as in his judgment may be necessary to translate into effect the Legislative Proposal submitted to the Congress by the Executive Committee of the National Association of Insurance Commissioners, (November 1944) or any changes therein not inconsistent with the basic principles thereof."

In my 1944 report, I informed the Legislature that President Johnson had asked me to accompany him to Washington for the purpose of advising and assisting him in translating into effect the Legislative Proposal. A complete report of our activities during the 1944 session is included in my 1944 report to the Legislature.

In January 1945, President Johnson again requested me to accompany him to Washington to assist him in carrying out the mission entrusted to him by the resolution above quoted. The activities of President Johnson in Washington were intelligent and constructive. His deportment was statesmanlike. His mission was successfully consummated with the enactment of United States Public Law No. 15, which was signed by President Roosevelt on March 9, 1945.

President Johnson authorizes me to state that we are deeply indebted to Senator Sinclair Weeks of Massachusetts for his generous allotment of time during our stay in Washington. The keen personal interest of Senator Weeks in the accomplishment of our mission was in no small measure responsible for our success.

The following extract from the report of President Johnson of the National Association of Insurance Commissioners will best inform the Legislature concerning the nature and extent of the problems which confronted us:

"Following the holidays, things began to happen. On January 5th a group of insurance men representing most lines of the business met in New York to discuss ways and means of securing Federal Legislation in the new Congress. At that meeting the Commissioners were not represented. About the same time a separate meeting for certain members of Congress was being arranged for January 8th in Washington by another section of the Industry. On hearing of this latter meeting Senator O'Mahoney, collaborating with Senator Hatch, decided to submit to the new Congress a bill of their making. Hearing of all this I phoned Commissioner Harrington, sent wires to several Senators requesting an appointment and entrained for Washington, arriving there on Sunday, January 7th.

Having conferred informally with several Company men yet that same day, we acquiesced to an open meeting for Company representatives for 3:00 o'clock Monday afternoon, January 8th. All also agreed that no one would make any effort to foster specific legislation until such a meeting had been held. Monday was a comedy — almost a tragedy — of errors. The meeting of certain members of the Congress previously arranged for by one section of our business was to start at 3:30. We had agreed to attend a conference of Company men at 3:00 o'clock. And so it became so painfully apparent that the Industry was working at cross purposes that we were given a curtain lecture by more than one member of the Congress. At one point we were urged to ask our respective Governors to call for Federal investigation of the Insurance Business which we prayerfully discouraged — annoyed as we admittedly were. Our proposed meeting for that afternoon was abortive because all branches of the Industry were not represented, though all had been invited. So the meeting was set over until 10:00 o'clock on Tuesday morning and we charged Monday to profit and loss.

On Tuesday we had a session which I feel we should leave mostly off the record. Those representatives of the Industry who had met on Monday with some members of Congress now urged the rest of us to get behind the Compromise Bill of last December — the so-called Commissioners' Bill minus what was known as Section 4-B. But the day before we had been told very pointedly that such a bill could never be passed. There were charges of bad faith, talk

of legislation excepting one branch of the business and dealing separately with others, long-distance calls reminding us that the tax question had to be disposed of by February 1st, and so on. Realizing that we were getting nowhere we finally recessed until Wednesday morning. That night an article in the Washington papers indicated that divergent lines of opinion were being drawn in the new Congress which might deadlock legislation indefinitely.

On Wednesday we reconvened at 10:00. We tried to appeal to all present to forget personalities, to keep the need of speed in mind, and to recognize the absolute necessity of reconciling the views of all sections of the Industry on some middle ground that would in turn be agreeable to two viewpoints that were developing in Congress. But every effort to produce such language failed. Meantime it was called to the attention of the meeting that a further news item in the morning paper made our search for an agreeable middle ground more necessary than ever. Finally Mr. Harrington and I withdrew from the Conference, having offered to listen to any proposal that might be forthcoming during the day, but stating that if no spirit of compromise could be developed we would release the Commissioners' Bill in its original form on Thursday, having definite assurance that it would be introduced into the Senate. Individual discussions followed into the night and through Thursday. By that time a new Bill had been introduced into the House, the presence of which taken with the situation already existing in the Senate, left little hope of action before February 1st. Finally it was announced that the Industry would meet again on Friday morning at 10:00 to try again to agree upon some language for 4-A. And at 1:30 that day we did reach a final agreement and a copy of the final proposed Bill was drawn, a letter of transmittal written which unanimously authorized the Commissioners to speak for the Industry and to deliver the Compromise Bill to the Chairman of the Senate Judiciary Committee. This letter was signed by Robert L. Hogg for the American Life Convention, A. V. Gruhn for the American Mutual Alliance, Ray Murphy for the Association of Casualty and Surety Executives, J. V. Herd for the Inland Marine Underwriters Association, W. Ray Thomas for the National Association of Insurance Agents, Philip L. Baldwin for the National Association of Mutual Insurance Agents, Edward L. Williams for the National Board of Fire Underwriters and Insurance Executives Association, Harry E. Moore for the National Association of Insurance Brokers, Inc., John E. O'Neil for the National Association of Casualty and Surety Agents, Harold R. Gordon for the Health and Accident Underwriters Conference and Foster F. Farrell for the National Fraternal Congress of America.

At noon we delivered the letter and the Compromise Bill. As we visited with some Senators about it however, it appeared that in reconciling the views of the Industry we had failed in some respects to meet all the wishes of the members of Congress, and we did the best selling job that we could do. Sunday we prepared a news release, sent copies of all necessary papers to the various members of this Association. On Monday we were happy to learn that our Bill had actually been read before the Committee of the Judiciary and we were informed that the Bill would probably be introduced into the Senate yet that week. So again we left Washington.

As everyone now knows our Bill was later introduced into the Senate by Senators McCarren and Ferguson and then into the House. In a modified form it became the Law of the Land on March 9th. So much for a report of our activities since we last met in December. I have made a more detailed, day to day report for your Executive Committee which I have presented to them for the records."

The importance of this subject cannot be over-estimated because the entire future of State supervision of the insurance business is inextricably interwoven with United States Public Law No. 15, and the future activities of the Congress. Further material dealing with this subject is contained in the report of the Sub-Committee on Federal Legislation of the National Association of Insurance Commissioners, dated March 10, 1945, Appendix A, which forms a part of this report. The Text of

President Roosevelt's Statement, accompanying his signature to United States Public Law No. 15 on March 9, 1945, is part of Appendix A.

My recommendations for new legislation, which were before your Honorable Body this year, dealt with two aspects of the problem involving the reconciliation of State laws with my concept of the Congressional philosophy on the subject. These recommendations are contained in House Bill No. 94 of 1945 — the first is entitled "Prohibition of Unfair Practices by Insurance Companies" and the second is entitled "Approval of Classifications of Risks and Premium Charges and Examination of Rating Bureaus by the Commissioner." Your Committee on Insurance has referred both of these recommendations to a Recess Commission for study and further consideration.

Before leaving the subject of the legislative recommendations of the Commissioner contained in House Bill No. 94, dated November 30, 1944, and included in my report of last year as Appendix D, I would like to point out that the rating bill accompanying that House Document was prepared prior to the enactment of United States Public Law No. 15. I was prompted to reverse my previous position of opposition to the extension of rate regulation by the State because of the decision in the South-Eastern Underwriters' case wherein the Court said, "Few States go so far as to permit private insurance companies without State supervision to agree upon and fix uniform insurance rates." *C. F. Parker vs. Brown* 317 U. S. 341, 350-352. The regulatory pattern suggested by *Parker vs. Brown*, 317 U. S. 341, seems to require the prior approval of rates fixed and agreed upon by private insurance companies. No definite conclusion in this regard has been reached at this time.

On December 5, 1945, Senator Joseph C. O'Mahoney, formerly Chairman of the Temporary National Economic Committee and a student of insurance problems, delivered an address before the Insurance Federation of New York. In that address, he voiced certain opinions on the subject of United States Public Law 15, which warrant the consideration of our Legislature in their study of the legislation which will be offered to solve the problems attendant to the preservation of effective State supervision in contemplation of United States Public Law 15. Senator O'Mahoney said:

"Government organization and business organization are the instruments by which the American ideals of political and economic freedom can be maintained. They must both be democratic, that is to say, they must both proceed from the people, from all of the people. They must both be designed to serve the public interest. Whenever either political organization or business organization falls under the domination of group or class or special interest, it ceases to be the sort of organization the founders of this nation sought to establish.

This brings me to insurance and to the specific problem with which you, as persons engaged in the insurance industry, are most intimately concerned at the moment. Let me say that the reports which have come to me from the various industry committees, from state insurance commissioners committees and all others interested in insurance indicate that an honest effort is being made to adjust the insurance business and its regulation to the decision of the Supreme Court that insurance is commerce and to the law of Congress approved by President Roosevelt on March 9, 1945. I congratulate the industry on its efforts because if it succeeds — and I think it will succeed — it will have done much to show all industry how the delicate balance between government and business may be preserved in a manner that will protect the interests of all.

The great evil of our time is the expansion of central power, arbitrary central power, sometimes exercised by private groups, sometimes exercised by government. In either form it is the foe of freedom. When any private group undertakes to establish such controls over any branch of the economic system as to deny opportunity and freedom to others, it launches itself upon the road to authoritarian government.

The Act of March 9, 1945, was an invitation to the insurance industry and

to the states by the Congress to set up a formula of state regulation which will preserve a free economy in insurance by preserving competition and banishing the evils of monopolistic central control. It was a declaration by the legislative authority of the United States of a desire to strengthen state regulation by closing the door to private regulation. Surely it must be clear to business leadership that such an invitation, proceeding from the government in Washington, should be promptly accepted, because it affords not only an opportunity to avoid all the dangers of central government control, but an opportunity also to make secure real freedom of opportunity in the industry itself. Yours is the chance to establish the 'grass roots' rule for business whereby alone we can escape the world-wide trend to central power.

It is not an easy task. It is not one that can be performed by smart legalistic construction of the language of the Act of March 9, 1945. It is not a problem that can be solved by narrow construction of the letter of the law or by seeking to make of it a cloak to hide some private purpose. It is a problem that can be solved only by adherence to the spirit of the law. That spirit is the desire of Congress to preserve a free economy governed in the public interest by the authority of all of the people and not by any small group even though they may be regarded as well qualified to manage, but whose authority does not proceed from the people.

It takes no lawyer to read Public Law No. 15 of the 79th Congress and construe it in the spirit of American institutions. You need no lawyer's brief to expound this statute. In the plainest of plain words it expresses the belief of Congress 'that the continued regulation and taxation by the several states of the business of insurance is in the public interest.' 'Regulation' is the longest word in that sentence and it contains only four syllables. It is sometimes pretended that regulation is a hard word to understand particularly when it is applied to business, although it is a word which has been in the Constitution of the United States from the very beginning. There never was any doubt in the constitutional convention that Congress should have the power to 'regulate commerce.' Congress has always exercised that authority in one degree or another and the states have always exercised it. Business has prospered and expanded under it, because regulation in the public interest is good for business as well as for the public. Unregulated business tends to develop abuses, and the greater the distance between the people and managerial authority, the greater the tendency."

The ideas hereinbefore expressed by Senator O'Mahoney appear to substantially agree with the ideas of other Senators who participated in the debate which preceded the passage of United States Public Law 15. Support of this statement is contained in the Congressional Record.

Further research and study on this entire subject is being conducted by the National Association of Insurance Commissioners through the committees on Federal Legislation and Rates and Rating Organizations, of which your Commissioner is Chairman. By virtue of this position, a complete record of the development of revised State regulatory procedures in contemplation of United States Public Law 15, is being accumulated and will be compiled and made a permanent record in the office of the Commissioner of Insurance. This record will include evidence of the progressive development of State regulatory laws, pamphlets and memoranda which were before the Committee and which were given weight in the development of reports of the National Association of Insurance Commissioners.

RATE REGULATION AND EXAMINATION OF RATING BUREAUS

At the date of this report, the National Association of Insurance Commissioners adopted, subject to certain revisions, two prior approval rate regulatory bills. Insofar as the National Association of Insurance Commissioners is concerned, the following extract from the report of the Committee on Rates and Rating Organizations will indicate the status of the rate regulatory problem as it exists at the date

of this report and the extent to which the National Association of Insurance Commissioners and the insurance industry are asked to be committed to the report:

"Committees in the industry are still attempting to compose some of their differences of opinion on both fire and marine rating bills and casualty and surety rating bills. Under ordinary circumstances this Committee might have been disposed to still further delay the submission of proposed rating bills to the Association in the hope that agreement might be reached. There are, however, legislatures meeting early in 1946 and which will not reconvene until 1948. Consequently the Committee felt it necessary to furnish drafts which could be used as a guide in those legislatures at this time.

The great majority of legislatures will not meet, however, until 1947. This Committee intends to continue its research and will, of course, consider any ideas or material developed by the industry or the insurance-buying public. The Committee makes no claim that the proposed bills represent the ultimate or last word in rating bills. It is recognized that the science of rate regulation is a progressive one and that changes in thinking will occur as our experience and stock of knowledge increase.

For those states which subscribe to the principles set forth in these bills, the Committee recommends the use of the bills as legislative guides."

The foregoing extract is taken from the report of the Committee on Rates and Rating Organizations dated December 5, 1945, which was accompanied by a casualty and surety rate regulatory bill and a fire and marine rate regulatory bill, together with an explanatory memorandum. The full report, bills and the explanatory memorandum are attached to this report marked Appendix B. The bills were prepared after many conferences with members of the Industry acting through a so-called All-Industry Committee composed of nineteen trade organizations representing all important sub-divisions of the industry. The Joint Committee meetings held by the All-Industry Committee and the Commissioners' Committee commenced in May of this year and consumed many days of conference and negotiation in May, June, August, September, October, November and December. The complexity of the problem and the varying interests of the organizations participating in the conferences required time, effort, tact and compromise in producing bills which are a part of Appendix B of this report. I am satisfied that further progress will be necessary before satisfactory legislative drafts regulating the making of insurance rates will receive substantial support.

At this point in the discussion, principal extremities in point of view seem to center around the question of the time when rates shall be examined and approved by the Commissioner of Insurance on the one hand; and on the other, the view that a rate regulatory law establishing certain standards to be observed by those making and filing the rates be subject to review by the Commissioner of Insurance, but requiring no affirmative action by the Commissioner of Insurance before such rates become effective.

Those who believe in advance approval of rates by the Commissioner of Insurance rely heavily upon the following remarks of Senator Barkley of Kentucky as recorded in the Congressional Record, February 22, 1945, page 1558:

"I wish it to be understood that in voting for approval of the conference report I am accepting the interpretation placed upon it by the conferees, namely, that if any State, through its legislature, undertakes to go through the form of regulation merely in order to put insurance companies within that State on an island of safety from congressional regulation, that effort will be futile, and not only can Congress deal with any phase of the insurance business not dealt with by a State legislature, but even in a case in which a State legislature deals with any phase of it, but does not deal with it adequately in the opinion of Congress. Congress is not in any way barred by the conference report from dealing with that subject and with the phase of it which Congress deems to have been inadequately dealt with by the State."

The opposite point of view is set forth at considerable length in the following memorandum prepared by Attorney Kenneth C. Parker at the request of Gay Gleason, Counsel for the Employers' Group of insurance companies:

"July 10, 1945

Assuming that the Court will hold that Public Law 15 is effective to accomplish the purposes intended, you inquire whether a state may legally authorize rating bureaus to establish rates which are not subject to the approval or disapproval of any governmental agency. It is my opinion that a state may do so.

The problem entails a consideration of the intent of Congress in enacting Public Law 15 and the construction to be given to Section 2(b) which provides for the application after January 1, 1948, of certain anti-trust laws to the business of insurance 'to the extent that such business is not regulated by state law.'

One of the essential purposes of the Act was to validate state laws existing at the time of its passage. The following excerpts from the debate in the Senate upon the bill in its original form make this clear:

MR. FERGUSON: 'Today the various States have laws relating to insurance.

It would be a physical impossibility to examine, in a short time, all those State laws and their ramifications. One State law provides that the insurance companies may fix rates subject to the approval of the insurance commissioner. Others provide that rates may be fixed if the Commission does not repeat them.'

MR. O'MAHONEY: 'Mr. President, will the Senator yield?'

MR. FERGUSON: 'I yield.'

MR. O'MAHONEY: 'Does not subsection (a) of section 2 take complete account of that fact, and grant complete protection to existing State laws?'

MR. FERGUSON: 'I agree that, as to existing State laws, subsection (a) of Section 2 does so provide.'

MR. O'MAHONEY: 'Let me read it: "The business of insurance, and every person engaged therein, shall be subject to the laws of the several States which relate to the regulation or taxation of such business." That is complete.'

MR. FERGUSON: 'I think that is correct.'

MR. O'MAHONEY: 'There is no reason for misunderstanding on the part of any State official or any insurance company or any policyholder with respect to the meaning of that subsection as it applies to existing law.'

MR. FERGUSON: 'As it applies to existing law, that is correct.'

(Congressional Record, p. 504)

There are five states which expressly or impliedly authorize or require rating bureaus created by the industry to fix rates for fire insurance without governmental checking by approval or disapproval. (Id., Ill, N. C., N. D., Pa.). If, therefore, as intended by Congress, Public Law 15 validates existing laws, the laws of these five states should now be held to be valid.

Another fundamental purpose of Public Law 15 was by Congressional authority to give to the states the same power to regulate and tax the insurance business that the states had been held to possess prior to the decision in the S. E. U. A. case. The only limitation which the Act places upon the right of the states to continue to regulate the insurance business as they had heretofore is with respect to boycott, coercion and intimidation. Since this limitation would not prevent the establishment of rating bureaus without governmental check upon rates, it would seem that the states which clearly before the S. E. U. A. decision had the power to establish such bureaus have still the same right and power.

A consideration of construction to be given to Section 2(b) strengthens rather than weakens this conclusion. The phrase in that section quoted heretofore means, I suggest, that the federal anti-trust acts mentioned will apply to the insurance business *only* to the extent that the business is not regulated by state law. Therefore, if a state by its laws enters the field covered by the anti-trust laws mentioned in the act, to the extent it does so, the acts are withdrawn

from application. Again excerpts from the Congressional Record make this clear:

MR. McCARRAN: 'During the 3-year moratorium the States may, if they see fit to do so, enact legislation for the purpose of regulation. If they do enact such legislation, to the extent that they regulate they will have taken the business of insurance in the respective States out from under the Sherman Anti-trust Act, the Clayton Act, and the other acts. . . .'

MR. FERGUSON: 'After the moratorium has expired, if a State has not legislated on the subjects covered by the three acts to which reference has been made, those acts shall be applicable to the business of insurance. But insofar as the State is concerned which has specifically legislated on the subject, the three acts shall not apply.'

(Congressional Record, Feb. 26, 1945.)

If then by legislation a state has the right by entering the field covered by the federal acts to curtail or partially negative their application, it is but logical to conclude that a state also has the right, should it desire, to so legislate as to pre-empt the field and thus eliminate entirely the application of the acts except as to boycott, coercion and intimidation. That this was so understood by Congress and was a result within the intent of Congress is clearly revealed in the Senate debate upon the conference report. In fact the larger part of the debate resulted from the opposition by Senator Pepper to the language found in Section 2(b) which, as he put it, gives the states *carte blanche* to legitimize the very vices against which the Clayton Act and the Sherman Act were directed. I am quoting excerpts from the debate at considerable length because it seems to me the language used reveals unmistakably the intent and understanding of the Senate.

MR. PEPPER (After reading Section 2B of the Act): 'This is my contention that under that provision we have given to the States the power to preempt the field covered at the present time by the Sherman Act and the Clayton Act. If the States move into that field, if they occupy that territory, that, by the provisions of this report, makes the Sherman Act and the Clayton Act inapplicable to that extent. This is the way it would work out, in violation of the Sherman Act and the Clayton Act.'

(Congressional Record, p. 1550.)

MR. PEPPER: 'I am only speaking, I will say to my friend, about the case where State regulation invades the domain of the Sherman Act and the Clayton Act, and after the Senator states his opinion, I should like the Senator from Michigan, who handled this bill, to advise the Senate whether or not under this language to which I am objecting it is possible for a State by its own regulation to curb and cut down the extent and the effect and the applicability of the Sherman Act and the Clayton Act.'

MR. FERGUSON: 'I am glad to answer that question.'

MR. PEPPER: 'Is that possible under this language?'

MR. FERGUSON: 'Under the language which is now in the bill as it appears in the conference report, if a State passes an act regulating insurance or taxing insurance, and that regulation is contrary to the Sherman Act or the Clayton Act, with three exceptions, then the State law would be the law. Here are the exceptions: "Nothing contained in this act shall render the said Sherman Act inapplicable to any agreement to boycott, coerce, or intimidate or act of boycott, coercion, or intimidation."

'In other words, under the terms of the bill, there are six things on which a State could not legislate. They are boycott, coercion, or intimidation, or agreements to boycott, coerce, or intimidate. But with respect to anything else, if the States were specifically to legislate upon a particular point, and that legislation were contrary to the Sherman Act, the Clayton Act, or the Federal Trade Commission Act, then the State law would be binding. That is exactly what we attempted to do in the bill. It is clear what we intended to do. After a conference with the House, we believed that the States should regulate insurance, and taxation on the insurance business. But we spelled

out certain things on which we thought Congress should not allow the States to legislate. Those are the things which I have mentioned. As to the others, the State has full power to act by legislation — not by agreement but by legislative act.'

(Congressional Record, p. 1551-1552.)

MR. PEPPER: '. . . I am asking the Senator whether or not, under the conference report it would be lawful for the State of Florida, through its legislature, to authorize the charging in Florida of premiums which had been fixed by the insurance companies through the instrumentality of a rating bureau in Atlanta, or anywhere else.'

MR. FERGUSON: 'I think that under this bill they could allow a rate-making bureau to sit anywhere to fix the rates for Florida.'

MR. PEPPER: 'Of course, the able Senator has made it very clear that they could, and, of course, they could.'

(Congressional Record, p. 1554.)

MR. PEPPER: '. . . If this bill were enacted into law, we could not at any time go back and provide for the penalization of anyone who had acted pursuant to a State statute prior to any corrective legislation on the part of Congress, even though such conduct pursuant to the State statute was contrary to the Sherman Act or the Clayton Act.'

MR. O'MAHONEY: 'My interpretation of the language which I have just read — and I am sure that all the other conferees are in agreement — is that it would permit the Federal Government to continue to indict and prosecute any person or any group for any agreement or act of boycott, intimidation, or coercion, in the past or in the future.'

MR. PEPPER: 'I did not, of course, limit my question to boycott, coercion, or intimidation, because surely boycott, coercion, and intimidation are not co-extensive with the offenses described in the Sherman Act or the Clayton Act. There are other offenses which may be committed under the Sherman Act and under the Clayton Act, in addition to boycott, coercion, and intimidation, are there not?'

MR. O'MAHONEY: 'Yes.'

MR. PEPPER: 'So all the conference report does is to limit the legislatures, in authorizing violation of the Sherman Act and the Clayton Act, only with respect to boycott, coercion, or intimidation. However, all the other offenses which are condemned by the Clayton Act or the Sherman Act may, under the proposed legislation, be authorized pursuant to State laws.'

MR. O'MAHONEY: 'When the Senator says "may," I agree with him.'

(Congressional Record, p. 1557.)

Further excerpts from the debate indicate that Congress recognized that combinations of insurance companies for certain purposes might be in the public interest and that one of the purposes is using the language found in the bill was to withdraw the anti-trust laws from such salutary combinations as a state by its laws might authorize.

MR. PEPPER: 'Does that mean that the States can by their own laws defeat the applicability and operation of the Sherman Anti-Trust Act and the Clayton Act?'

MR. O'MAHONEY: 'I think the answer to that question will be clear when I point out that there are certain agreements which can normally be made in the insurance business which are in the public interest, but which might conceivably be a violation of the anti-trust law, which prohibits combinations and agreements in restraint of trade.'

(Congressional Record, Feb. 26, 1945.)

MR. O'MAHONEY: 'Of course, it has been found in the past to be in the public interest to permit corporations and persons engaged in businesses affecting the public to agree upon rates. We have eminent precedent for that in the Interstate Commerce Act; we have precedent for it in innumerable State public-utility acts.'

(Congressional Record, p. 1556.)

MR. BARKLEY: 'In subsection (b) of section 3 of the conference report we find this language: "Nothing contained in this act shall render the said Sherman Act inapplicable to any agreement to boycott, coerce, or intimidate, or act of boycott, coercion, or intimidation." That language does not seem to apply to combinations among insurance companies within the States or among their agents. Why was that language limited to boycott, coercion, or intimidation, which does not include combinations that do not involve either boycott, coercion, or intimidation?'

MR. O'MAHONEY: 'Because the committee was cognizant of the fact that many salutary combinations might be proposed and which ought to be approved, to which there was no objection. From the very beginning, Mr. President, of this controversy over insurance I have always taken the position that I saw no objection to combinations or agreements among the companies in the public interest provided those combinations and agreements were in the open and approved by law. Public supervision of agreements is essential.'

(Congressional Record, p. 1557.)

If, therefore, as the foregoing seems so unmistakably to indicate, a state may by legislation curtail, abridge, or negative the anti-trust laws, there seems to be no doubt but that a state may provide for the existence of rating bureaus having no governmental check upon their promulgated rates.

The power to regulate gives the right to permit as well as the right to prohibit. It includes the right to say what may be done as well as what may not be done. This is made clear by many decisions of the U. S. Supreme Court. The authority of Congress with respect to interstate commerce is derived solely from the words in the Constitution giving it the power 'to regulate commerce among the several states.' The U. S. Supreme Court has often held that these words empower Congress to determine not only to what extent commerce shall be restricted, but also to what extent it shall be unrestricted. This is the theory underlying the doctrine known as the silence of Congress. That doctrine is that as to interstate commerce national in character 'the non-action of Congress indicates its will that such commerce shall be free and untrammelled.' *Covington, Etc., Bridge Co. vs. Kentucky*, 154 U. S. 204, 212, in re *Rahrer*, 140 U. S. 545, 559, 560. As expressed in *County of Mobile vs. Kimball*, 102 U. S. 691, 697, "Its (Congress) non-action in such cases with respect to any particular commodity or mode of transportation is a declaration of its purpose that the commerce in that commodity or by that means of transportation shall be free." In other words, Congress may determine what may be done in interstate commerce and may grant its permission, by simply refraining from prohibiting. Mr. Justice Johnson in his concurring opinion in *Gibbons vs. Ogden* 9 Wheat 1, 222, when arguing that where Congress has failed to restrict interstate commerce it must necessarily be free, said, 'Of all the endless variety of branches of foreign commerce, now carried on to every quarter of the world, I know of no one that is *permitted* by act of Congress any otherwise than by not being forbidden.' (Emphasis supplied.)

If, therefore, Public Law 15 successfully confers authority upon the states to regulate the insurance business, it confers authority upon them to legalize conduct as well as to outlaw conduct. Indeed, the existing insurance laws of the states contain many instances of the use of permissive as well as restrictive language. In Massachusetts, for example, by statute companies 'may transact' certain kinds of insurance business, G. L., c. 175, §51 and §54. 'Any company may reinsure any part or all of any risks,' G. L., c. 175, §20. 'Mutual companies "may" establish a guaranty capital,' G. L. c. 175, § 93.

Nor should it be thought that laws authorizing conduct or permitting practices indicate an absence rather than the presence of supervision and regulation. In *Dayton-Goose Creek Railway vs. U. S.*, 263 U. S. 456, 478, the Court held that to regulate in the sense intended in the commerce clause 'is to foster, protect and control the commerce with appropriate regard to the welfare of those who are immediately concerned, as well as the public at large, and to promote its growth and insure its safety.'

In *Welton vs. Missouri*, 91 U. S. 275, the Court said, 'To regulate commerce

is to prescribe rules by which it shall be governed, — that is, the conditions upon which it shall be conducted; to determine how far it shall be free and untrammelled, how far it shall be burdened by duties and imposts, and how far it shall be prohibited.'

'Regulation is not confined to the imposition of restrictions but includes all directions by rule of the subject matter.' (*Orme vs. Atlas Gas and Oil Co.* (Minn.) 13 N. W. Second 756, 762.) See also *City of Newark vs. Mt. Pleasant Cemetery*, 58 N. J. L., 168.

Mr. Justice Grier in the *Passenger Cases*, 7 *Howard* 283, 462, said, 'and to what weight is that argument entitled which assumes that because it is the policy of Congress to leave this intercourse free, therefore, it has not been regulated, and each state may put as many restrictions upon it as it pleases?' He concludes, 'That Congress has regulated commerce and intercourse with foreign nations and between the several states by willing that it shall be free.' See *Walling vs. Michigan*, 116 U. S. 466, 445, 456. It would therefore appear that if a state through its laws prescribes rules governing the insurance business it would be regulating the business and this would be so even if by its rules it permitted certain aspects of the business to remain free and untrammelled.

Likewise, a law which permits or legalizes conduct is of no less extent than one which prohibits or restricts conduct. The extent of regulation is not enlarged or reduced by its character and quality or by its effect and its result.

The extent of regulation depends solely upon its scope, that is, upon the subject matters with which it deals. If the regulatory laws of two states deal with the same subject, although one prohibits and the other permits, it cannot be said that the extent of regulation is greater in the state that forbids than it is in the one that consents. If a state deals in some manner with all matters to which the federal anti-trust laws might apply, the extent of its regulation within the meaning of Public Law 15 would be such as to prevent the federal acts from having any application. It may deal with the matters in a way that is consistent with the federal laws or in a way that is inconsistent, but whether it does one or the other, the extent to which it has regulated is the same.

At the present time the states deal with rating bureaus in various ways. Five states, as has been previously mentioned, authorize rating bureaus to establish rates which are not subject to governmental check. Other states provide that rates fixed by rating bureaus shall not become effective until approved by state authorities. In other states the rates agreed upon by rating bureaus are subject to the disapproval of state authorities. Although the legislators of these various states have in their wisdom adopted different policies toward rating bureaus, they have all acted under their regulatory powers and extended those powers to deal with the bureaus. The differences are in the kind of regulation provided rather than in the extent to which it is provided. In extending their regulation to the subject of rating bureaus, they have, by the provisions of Public Law 15, Section 2 (b), made inapplicable to those bureaus the named anti-trust acts.

For the foregoing reasons I therefore conclude that if a state should provide by law that a bureau might establish rates not subject to governmental approval or disapproval, it would be validly exercising its power to regulate insurance conferred by Public Law 15, and the bureau and its member companies would by its action be shielded from the interdicts of the Sherman Act, Clayton Act and Federal Trade Commission Act."

These opposite points of view supported by the above quotations are made a part of this Report in order that your Honorable Body may have the benefit of the information procured by your Commissioner of Insurance as a result of his participation in the many conferences dealing with the problems flowing from the Decision of the United States Supreme Court in the South-Eastern Underwriters' case.

Following the effective date of United States Public Law 15, a sub-committee of a special committee of the Casualty and Surety Executives' Association appointed to consider dislocations brought about by the United States Supreme Court decision in the South-Eastern Underwriters' case rendered a report dated March 28, 1945, approximately three weeks after the President of the United States had at-

tached his signature to the Act, which became United States Public Law 15. The memorandum in question is attached as Appendix C. This memorandum is the work of a distinguished group of attorneys and company executives who have contributed time, effort and research for the purpose of laying a foundation upon which to build an effective State regulatory program which will satisfy the Congress.

The suggestion that the Congress must be satisfied with the nature and extent of our regulation of the activities of insurance companies is based upon the fact that insurance is now commerce and subject to regulation by the Congress under the grant of authority from the States contained in the Commerce Clause of the United States Constitution. The decision of the Congress to express its will with respect to the regulation of the insurance business, through the medium of United States Public Law 15, manifests a confidence in State regulation of the insurance business, which will continue only so long as the States justify that confidence. Congress has not described or even outlined the type of legislation of a regulatory nature necessary to protect the public against alleged evils of ratemaking in concert. It is my suggestion that the Legislature consider the adoption of a minimum of control over the normal processes of the insurance business, subject, however, to the grant of authority to the Commissioner of Insurance upon his own motion or upon complaint made by interested parties to take action which will protect the public interest. Extreme legislation, which imposes heavy burdens on the insurance industry and heavy responsibilities upon the Insurance Department is likely to prove costly to the public through the medium of increased insurance premiums and increased taxation necessary to meet the added cost of regulation.

Included in my 1944 report are the recommendations of the Commissioner of Insurance for legislation to be considered by the 1945 Legislature. The text of the recommendations is designated as House No. 94 of January 1945. To carry out the recommendations of the Commissioner of Insurance, relating to the approval of classifications of risks and premium charges and the examination of rating bureaus by the Commission, is House Bill No. 97 of 1945. It should be emphasized that this bill was drafted prior to the enactment of United States Public Law 15. Hearings on this bill commenced on April 24, 1945. Prior to the opening of hearings, I conferred with a group of mutual insurance companies, authorized to transact business in this Commonwealth, relative to changes in the bill. Several hours were consumed in discussing the terms of the bill with these gentlemen. I talked with a representative of the National Board of Fire Underwriters, an organization composed of more than two hundred stock fire insurance companies. As a result of these conversations, I redrafted the bill and at the hearings before the Insurance Committee, requested the privilege of submitting the redraft for the consideration of the Committee. I had anticipated that the redraft would meet with the support of the people with whom I had conferred, but such was not the case. My presentation of the views of the Insurance Department with respect to the necessity for a rate regulatory law at this time, coupled with the questions directed to me by the members of the Committee and my answers consumed approximately four and one-half hours. The courteous, intelligent and inquisitive hearing granted me by the members of the Insurance Committee, evidenced the fact that the Chairman of the Committee and many of the members were anxious to recommend for the consideration of the Legislature, the kind of legislation which would enable the Commonwealth to effectively regulate the business in the interest of the public. I point out that the bill which I introduced was directed only to the regulation of the fire insurance business. I was anxious for action on this type of bill at this time, because we have had no experience in the regulation of fire insurance rates or the examination of fire insurance rating bureaus. It appeared to me that in the time which had been granted by Congress, we could make greater progress by enlarging our rate regulatory responsibilities and personnel on a progressive basis rather than to attempt at one time, to absorb a multiplicity of duties far beyond the ability of the Department to perform. Your Committee on Insurance decided in view of the controversial nature of the legislation and the division of opinion within the industry to study the rate regulatory problem further.

According to present indications, the conferences between the Commissioners of Insurance of the United States and the so-called All-Industry Committee will continue through 1946. It appears, therefore, that the Legislature has acted wisely in

referring to a recess commission, composed of members of the Insurance Committee, all matters pertaining to legislation necessary to meet the impact of the South-Eastern Underwriters' case and the United States Public Law 15 upon the regulation of the insurance business by the Commonwealth.

THE MISSOURI RATE CASES

It will be remembered that in 1943, Attorney General of the United States, Francis Biddle, appeared before the Sub-Committee of the Committee on the Judiciary of the Congress of the United States, which were then considering bills that were the predecessors to United States Public Law 15. He informed the Committees that Mr. Roy McKittrick, Attorney General of the State of Missouri, had reported to him certain activities of insurance companies in the State of Missouri which allegedly violated the Federal Anti-Trust Act. This complaint received the attention of the Attorney General and after an investigation, resulted in the indictment of members of the South-Eastern Underwriters Association in Atlanta, Georgia. The result of that action was the decision of the United States Supreme Court in June 5, 1944, in the case of the *United States vs. South-Eastern Underwriters Association*, et al, 322 U. S. 533. The extent to which that decision has required legislative consideration of the various State insurance laws, warrants a complete understanding on the part of the Legislature as to the nature and extent of the problems involved.

Early this year, I decided that it was desirable for the Insurance Department to obtain factual data related to the activities, which resulted in the indictment and subsequent litigation in the Missouri Rate Cases. I mentioned the subject to Superintendent Dineen of New York at one of our conferences concerning the matter of rate-regulatory laws. He informed me that he had already assigned Deputy Superintendent Bohlinger of his Department to investigate the matter and submit the facts to him. Deputy Superintendent Bohlinger is an Attorney of great ability. I felt certain that his report would be all-inclusive and revealing. I asked Superintendent Dineen if he would provide me with a copy of the report after it had received his consideration. The Superintendent granted my request and a copy of the report was furnished me. This report is attached hereto marked Appendix D. The names of the individual companies involved and the employees and officers who acted on their behalf have been omitted since no useful purpose would be served by the disclosure of such information at this time. It is apparent, however, that the final chapter in the litigation will probably be written during the next calendar year. A report on the outcome will be included in a future report of the Commissioner of Insurance.

An excellent discussion of the lessons to be learned from the Missouri Rate Cases is contained in the Eighty-seventh Preliminary Report of the Superintendent of Insurance to the 1946 Legislature for the calendar year 1945, by Superintendent Dineen of New York. This reference is made herein in event that members of the Legislature may desire to refer to that report for comprehensive discussions of the subject. The general lessons to be learned from the Missouri Rate Cases are so concisely and forcefully summarized by the New York Superintendent of Insurance in the report hereinbefore referred to that I repeat them here for I wholeheartedly concur in the ideas so eloquently expressed:

- “(1) The importance of honesty and trustworthiness in public officials is forcibly re-emphasized.
- (2) The dangers flowing from political interference with the functions of an administrative agency are again made plain.
- (3) The law regards an executive of an insurance company as a fiduciary. The conduct of Street, the vice president of the New York company, could not be justified upon the ground that it was necessary to meet the exigencies of a practical situation. Even though the companies for which he acted felt that as legitimate business enterprises they were being victimized by officials dominated by a corrupt political machine, the fact remained that Street as a company officer was a fiduciary. In this state the obligation of a fiduciary has been succinctly stated by Mr. Justice Cardozo in the celebrated case of *Meinhard v. Salmon*, 249 N. Y. 458. There he said:

'Many forms of conduct permissible in a workaday world for those acting at arm's length, are forbidden to those bound by fiduciary ties. A trustee is held to something stricter than the morals of the market place. Not honesty alone, but the punctilio of an honor the most sensitive, is then the standard of behavior. As to this there has developed a tradition that is unbending and inveterate.'

- (4) Company executives as trustees and fiduciaries should be alert for any evidence of misconduct on the part of those to whom they have entrusted responsibility.
- (5) Company executives should exercise the utmost care to see to it that funds disbursed upon their personal order shall be used for legitimate purposes and that every penny of money so disbursed can be accounted for properly."

This Department will wholeheartedly cooperate with the New York Superintendent of Insurance, the Missouri Superintendent of Insurance and all other insurance supervisory officials who propose the development of administrative rules and regulations under valid laws directed toward the elimination of any possible repetition of the unconscionable procedures utilized in the consummation of the dishonest and illegal acts which permeated the Missouri Rate Cases.

It would be inappropriate to close this portion of the report without recognizing the constructive and honorable contribution made by the present Superintendent of Insurance of the State of Missouri in working out a solution to the problems which flow from the catastrophic events that originated in that State. The Honorable Edward L. Scheufler, Superintendent of Insurance at the present time in the State of Missouri, is a man of tremendous capacity for work. He is a personable, intelligent, honest and incorruptible public official. It has been a privilege and an honor to work with him in the National Association of Insurance Commissioners. The administration of Edward L. Scheufler, as Superintendent for the State of Missouri, has restored confidence in insurance supervision in that State.

VALIDITY OF STATE TAXES ON INSURANCE COMPANIES

In his dissenting opinion in the South-Eastern Underwriters' case, Chief Justice Stone said:

"Certainly there cannot but be serious doubt as to the validity of taxes thought to discriminate against the interstate commerce, (cf. *Philadelphia Fire Association v. New York*, 119 U. S. 110); or the extent to which conditions may be imposed on the right to do business within a state; or in general the extent to which the state may regulate whatever aspects of the business are now for the first time to be regarded as interstate commerce."

Apparently the dicta quoted above caused concern in the ranks of insurance company executives* relative to the validity of taxes on insurance company premiums, particularly in cases where the State levied a higher tax on foreign companies than on domestic companies. Of course, United States Public Law 15 unequivocally stated that the Congress recognized the right of the States to tax insurance companies — a statement that minimized the concern relative to the validity of premium taxes levied by the State. The question which continued to bother certain insurance company executives was the discriminatory or unlevel tax which levied a higher tax upon foreign companies than on domestic companies. It was suggested that such a tax might be held to unduly burden commerce. Some insurance companies suggested withholding taxes due the several States until the question could be adjudicated by a court of competent jurisdiction. Others decided to pay the tax on the ground that they were obeying a state law and were protected by the provisions of United States Public Law 15. Others sought legislation relieving officers and directors of insurance companies of any liability to which they might be subjected in policyholders' suits founded on the theory that as fiduciaries they had

* The American Life Convention and the Life Association of America, employed Professors Noel T. Dowling and Edwin W. Patterson of the School of Law of Columbia University to prepare a memorandum on the subject (1) "Effect of the South-Eastern Underwriters' Decision on State Tax Laws" and (2), Power of Congress to Permit Such Laws to Continue in Operation." This memorandum is included as Appendix D(1) in this Report.

acted negligently in paying taxes of doubtful validity. The Insurance Department did not favor this latter legislation for the reason that it did not solve the fundamental problem and was a step toward relieving fiduciaries of the high degree of responsibility which should be required of them when acting in a fiduciary capacity. The type of legislation has not found favor in many States. The tax question appears destined for consideration of the Supreme Court of the United States, in the case of the *Prudential Insurance Company, Appellant, v. L. George Benjamin*, as Insurance Commissioner of the State of South Carolina, (L. George Benjamin succeeded D. D. Murphy as Commissioner of Insurance subsequent to the commencement of this litigation), on appeal from a decision of the Supreme Court of the State of South Carolina, (in the case of the *Prudential Insurance Company of America, petitioner, v. D. D. Murphy*, as Insurance Commissioner of the State of South Carolina, respondent, IN THE ORIGINAL JURISDICTION. Case No. 2628, Opinion No. 15773, filed September 13, 1945). This appeal was heard in the October term 1945. The docket number is 707, and is set forth in Appendix E of this report.

It is my opinion that the matter of revising the basis of insurance company taxes should be deferred until the United States Supreme Court renders a decision on the appeal.

VALIDITY OF LICENSING LAWS CHALLENGED

The issues raised in a suit brought against Maynard Garrison, Insurance Commissioner of the State of California, by the First National Benefit Society, an Arizona Corporation, challenged the validity of the State licensing laws. This case has been appealed to the Supreme Court of the United States. I believe that the decision of the United States District Court, Southern District, of California, Central Division, is of sufficient importance to be included in this Report as Appendix F. Should the Supreme Court of the United States fail to sustain the decision of the District Court, effective regulation of the activities of foreign insurance companies by the several States will be seriously impaired. The issues in this case will require the careful consideration of the Legislature in event that the Supreme Court of the United States should fail to sustain the opinion of the District Court.

Another important case, which should be called to the attention of the Legislature, is the case of the *People of the State of California v. F. O. Robertson*. The decision of the Superior Court of California in this case is attached to this report as Appendix G. The importance of this case to the future of State supervision, particularly as it relates to the jurisdiction over foreign and alien companies, warrants that the most complete information on the matter be brought to the attention of the Legislature. I have, therefore, included as Appendix G(1), the Reporter's Transcript on Appeal, and as Appendix G(2), the Opinion of the Supreme Court of the United States, October Term, 1945, No. 274, relative to Jurisdiction. This case has been appealed to the United States Supreme Court and a report of the decision will be included in a future report of the Commissioner of Insurance. Here again a United States Supreme Court decision may involve Congressional or State legislative action, or both.

THE CHALLENGE OF UNITED STATES PUBLIC LAW 15

I have briefly outlined some of the problems flowing from the decision in the South-Eastern Underwriters' case and the enactment of United States Public Law 15. United States Public Law 15 is a Congressional expression of confidence in the ability of the States to regulate the business of insurance in a manner which will adequately protect the public interest. This expression of confidence in the ability of the Legislatures of the several States to solve problems involving regulation of the insurance business is a challenge to the ingenuity of all of us who are concerned with this subject matter. There appears to be a general expression of confidence on the part of the industry and the people who purchase insurance and who understand the problem that the States are the appropriate sub-divisions of Government to deal with the regulation of the insurance business. For a period of more than seventy-five years and for over one hundred years in this Commonwealth, the Legislature has considered it to be the responsibility of the State to protect the people affected by the insurance business without which the conduct of all other

business would be extremely hazardous. I sincerely hope that the Legislature will agree that the maintenance of the supervision of the insurance business at the State level is desirable. We in the Insurance Department are ready, willing and anxious to be of assistance to the members of the Legislature in their efforts to establish a pattern of effective State regulation which will satisfy the Congress and avoid the necessity for legislative action at the national level.

The Congress, by enacting Public Law 15, has afforded an opportunity to the States to improve their laws to deal effectively with the abuses which have allegedly existed in the business of insurance. Congressional action will surely be inaugurated if the States fail to measure up to their responsibility. Senator O'Mahoney states it this way:

"This is the challenge which has been presented to the insurance industry and to the states. Leadership in business and in government can keep enterprise free if leadership is unselfish enough, is courageous enough and vigilant enough to do it. By the Act of March 9, 1945, the government at Washington has laid the problem in the laps of the states and of the industry. It is yours to make or to break. You can keep the insurance industry free and when you do so you will be setting an example for all business and all government in every other branch of our economy."

I am confident that the Legislature of this Commonwealth will, as always, meet its responsibility squarely and present a workable group of laws which will make unnecessary Congressional intervention.

REGULATION OF INTERSTATE ACTIVITIES OF INSURANCE COMPANIES

For more than seventy-five years, the National Association of Insurance Commissioners has directed its efforts to the regulation of interstate activities of insurance companies, with a reasonably satisfactory record of accomplishment.

The decision in the South-Eastern Underwriters' case makes it imperative that the States devise ways and means of fostering and supporting the activities of the Association in the interest of the preservation of State regulation of the insurance business. If this warning is not heeded, it is probable that the Congress will enact legislation designed to relieve the States of certain authority over the activities of the insurance industry insofar as the activities involve interstate commerce. Evidence of the fact that this is not an idle statement is contained in Appendix H, forming part of this Report. Appendix H is a bill introduced by Senator Joseph C. O'Mahoney providing for the issuance of certificates of statutory compliance with certain national standards applying to corporations engaged in or affecting commerce. This bill would apply to insurance companies transacting business in more than one State. The bill did not pass. The failure to make the bill inapplicable to the companies engaged in the insurance business indicates an intention that it shall apply to such business. The bill, identified as Appendix H in this Report, was originally introduced in the Congress prior to the decision in the South-Eastern Underwriters' case. Having in mind the fact that the United States Supreme Court gave scant weight to the Congressional debate, indicating that Congress did not intend the Anti-Trust Act to apply to the business of insurance, it is unsafe to rely upon the fact that any Act of Congress hereinafter passed regulating commerce will not apply to the business of insurance.

Even the passage of United States Public Law 15 does not preclude the enactment of legislation of this type by the Congress, so long as the legislative act specifically relates to the insurance business. It becomes the duty of the several States to convince the members of Congress that the interstate activities of the insurance business can be satisfactorily regulated by the States if enactment of legislation of this type affecting the insurance business is to be avoided.

The examination of insurance companies doing an interstate business assumes far greater importance in the era we are now entering, namely, the era during which insurance is regarded as interstate commerce and subject to regulation by the Federal Government. Unless the several States cooperate to the fullest extent in connection with the comprehensive and intelligent investigation and report on the affairs of interstate insurance carriers, it is more than likely that the Federal Gov-

ernment will be called upon to supply a system of examination similar to that now provided for the examination of Federal banks.

The National Association of Insurance Commissioners is alert to the necessity for approving the procedure for examination of companies doing business on an interstate basis. Discussions contained in the Proceedings of the Association indicate clearly that all of the States are interested in the comprehensive examination and regulation of companies transacting business on an interstate basis. The participation of this State in the examination of foreign companies, authorized to transact business on an interstate basis, will be increasingly necessary if we are to assume our full responsibility in this field.

Before leaving this subject, I should point out that in the future it will be necessary for the several States to examine legislative proposals filed with the Congress to determine their possible effect on the regulation of the insurance business by the States.

VALUATION OF SECURITIES

One of the functions of the National Association of Insurance Commissioners, carried on by its Committee on Valuation of Securities, is the establishment of security valuations to be used by the several insurance companies preparing annual statements for the various Insurance Departments in accordance with the laws of the several States.

For several years, the Commissioner of Insurance for this Commonwealth has been the Chairman of the Sub-Committee on Valuation of Securities. This Sub-Committee is in charge of the management of an office staffed by people who are in the employ of the Committee on Valuation of Securities. The work is done under the close supervision of the Sub-Committee and involves careful review of balance sheets, income and disbursement reports, sinking fund provisions, conditions of indentures and all material underlying the value of securities held by the several insurance companies. A report is prepared annually and presented at the June meeting of the National Association of Insurance Commissioners for action by that body. The report, which is finally adopted by the National Association of Insurance Commissioners is usually promulgated with necessary amendments to comply with special statutory provisions of the several States. This procedure is essential to uniform treatment of the same securities at each State level. The following Resolutions, regarding the December 31, 1945 market values for stocks and bonds and eligibility of bonds for amortization, were submitted to and adopted by the Association on June 7, 1945. They were promulgated by the Commissioner of Insurance for use of companies authorized to transact business in this State, subject to instructions which are contained in a circular letter forwarded to each insurance company, copy of which is included with other regulations reported on elsewhere in this Report.

ASSOCIATION VALUES

Resolved, that for the inventory of stocks, other than of insurance companies and subsidiaries, and bonds in the annual statements of insurance companies, societies and associations as of December 31, 1945 the following basis is recommended as fair market value:

1. That all stocks, other than of insurance companies and subsidiaries, and bonds shall be valued at the market quotation as of December 1, 1945, excepting bonds secured by the full faith, credit and taxing power of political subdivisions of the United States of America and of political subdivisions of the Dominion of Canada which are not in default as to principal or interest on December 1, 1945. In the case of securities not quoted on December 1, 1945 the latest available information shall be used. Values of insurance companies stocks as of December 1, 1945 shall be published in the Book of Valuations of Securities. These values should be used only in statements filed with those states whose departmental practices or laws require the use of market value quotations in determining the values allowable on insurance stocks.
2. That stock valuations shall include accrued dividends on preferred stocks

and dividends declared and accrued on all stocks and shall be determined in accordance with the following rules:

- (a) Where a stock sold ex-dividend on December 1, 1945 and a dividend is payable in December, the December 1 price is to be used.
 - (b) Where a stock sold ex-dividend on or before December 1, 1945 and the dividend is payable on or after January 1, 1946, the amount of the dividend is to be added to the December 1 price.
 - (c) Where a stock did not sell ex-dividend until after December 1, 1945 and a dividend is payable in December, the amount of the dividend is to be deducted from the December 1 valuation.
 - (d) Where a stock did not sell ex-dividend until after December 1, 1945 and the dividend is payable on or after January 1, 1946, the December 1 price is to be used.
3. That where a bond is quoted "flat" on December 1, 1945 and interest is paid in December, the amount of the interest shall be deducted from the December 1, 1945 valuation.

AMORTIZATION OF BONDS

Resolved, that, for submission of annual statements to the various State Insurance Departments as of December 31, 1945, bonds not in default as to principal or interest, which are certified by the insurer submitting the statement to be amply secured, shall be so deemed and shall be amortizable provided they are not income or perpetual bonds and provided they are included in any one of the five classifications described below:

1. All bonds issued, assumed or guaranteed by the United States of America or the Dominion of Canada and all bonds secured by the full faith, credit and taxing power of political subdivisions of the United States of America and of political subdivisions of the Dominion of Canada, which are legal for investment by insurance companies under the laws of the respective states.
2. All corporate bonds and all special revenue bonds of any state of the United States of America or any political subdivision thereof or any agency or instrumentality of any of the foregoing which on June 1, 1945 were included in any of the four highest grades of any two recognized rating agencies.
3. All corporate bonds and all special revenue bonds of any state of the United States of America or any political subdivision thereof or any agency or instrumentality of any of the foregoing on which the yields to maturities based on December 1, 1944 and on December 1, 1945 Association Values do not, in the first case, exceed 2.90%, and in the second case 2.10% plus the yield for comparable maturities of fully taxable U. S. Government Treasury obligations at the respective dates. Bonds which were not outstanding on December 1, 1944, shall be deemed amply secured and amortizable if the yield to maturity based on December 1, 1945 Association Values does not exceed 2.10% plus the yield for comparable maturities of fully taxable U. S. Government Treasury obligations.
4. Any bond issued by the same corporation and other corporate bonds and all special revenue bonds of any state of the United States of America or any political subdivision thereof or any agency or instrumentality of any of the foregoing which, in the judgment of the Sub-Committee of the Committee on Valuation of Securities, are equivalent in security to those bonds hereinbefore described, provided that satisfactory evidence thereof is either already available or is made available by insurance companies, societies and associations to the Sub-Committee on or before September 1, 1945 and approved by it.
5. All bonds of foreign governments, foreign subdivisions and foreign municipalities which in the judgment of the Sub-Committee are amply secured on the basis of the estimated ability of the respective obligors to make during the life of the issue, all contractual payments in the currency or currencies specified and at the places of payment stipulated in the bonds

and upon evidence that such payments can be remitted to the United States at the official rate of exchange.

Resolved, that bonds in default as to principal or interest and all corporate bonds and all special revenue bonds of any state of the United States of America or any political subdivision thereof or any agency or instrumentality of any of the foregoing not meeting the tests described under classification 2, 3 or 4 of the foregoing Resolution and all income and perpetual bonds shall be deemed not eligible for amortization and shall be carried in Schedule D, Part 1, Column 16 — "Amortized or Investment Value December 31 of the Current Year," and reflected in the Admitted Assets at the Association Values as shown in the Book of Valuations of Securities.

BONDS PAYABLE IN FOREIGN CURRENCY AND RATES OF EXCHANGE

Resolved, that, where quotations are obtainable, values of securities payable in foreign currencies shall be quoted in the Book of Valuations of Securities at the approximate foreign percentage quotations and the appropriate Dollar quotation in the United States. Values based on the foreign percentage quotations should be used by insurance companies in their annual statements only if such companies have substantial policy liabilities payable in the currencies involved and establish an appropriate non-admitted asset on account of the exchange rate at which the assets and liabilities are expressed over the rate of exchange specified herein or if evidence is made available that such securities can be disposed of and the proceeds in such foreign currency can be converted into United States Dollars on the basis of such rate of exchange and remitted to the United States; provided, however, that nothing herein contained shall require the rate of exchange used in connection with the securities payable in Canadian Currency to be other than the rate promulgated by the Canadian Foreign Exchange Control Board. The rates of exchange applicable at December 31, 1945 shall be the rates current at December 1, 1945.

OIL PRODUCTION LOANS

The Sub-Committee again gave careful consideration to oil production loans held by insurance companies and on the basis of information before the Committee recommends that such loans be not included in the Book of Valuations of Securities. That the Executive Secretary to the Committee be instructed to keep a complete record of all such loans and prepare and have available a file on each, including therein a completed questionnaire, engineers' reports, legal opinions and all other necessary data for the use of the Sub-Committee. That the Sub-Committee will pass on such loans and upon inquiry the Executive Secretary will submit the findings of the Sub-Committee to the various state insurance department officials and to insurers holding the particular issue.

Resolved, that the Book of Valuations of Securities to be published in January, 1946, shall be prepared in accordance with the foregoing resolutions and contain a notation against each bond to indicate whether it is or is not amortizable.

Acquisitions made in December, 1945

Stocks and bonds acquired in December, 1945 and not listed in the Book of Valuations of Securities should be valued at not exceeding cost and the company reporting any such stock or bond should be required to be prepared to justify the value at which carried.

Amortizable Bonds On Which No Values Are Printed in the Book

All bonds secured by the full faith, credit and taxing power of political subdivisions of the United States of America and of political subdivisions of the Dominion of Canada which are not in default as to principal or interest on December 1, 1945 and all amortizable bonds, on which no values are printed in the Book of Valuations of Securities, the amortized values should be entered in the "Market Value" column of Schedule D, Part 1 as well as in the "Amortized Value" column.

United States Savings Bonds

The following values shall be used for United States Savings Bonds in Schedule D, Part 1:

1. Market Values — Series "A," "B," "C," "D," "F" and "G." The redemption value at date of statement to be entered in the "Market Value" column (col. 7).
2. Amortized Values — Series "A," "B," "C," "D" and "F." The value to be entered in the "Amortized Value" column (col. 16) shall be, (a) the redemption value with no entry for accrual of interest in column 9, or (b) the actual cost if the company does take credit in column 9 for the difference between cost and redemption value, or (c) the value computed on a pro rata accumulation of discount or an effective rate accumulation of interest with no entry in column 9.
3. Amortized Values — Series "G." The value to be entered in the "Amortized Value" column (col. 16) shall be the par value with the interest received and accrued entered in column 9.

Deductions from Admitted Assets on Account of Interownership of Insurance Companies Stocks

Stock of the company itself, owned by it, or any equity therein or loans secured thereby, or any proportionate interest in such stock through the ownership by such company of an interest in another firm, corporation or business unit shall not be an admitted asset.

Valuation of Stock of a Subsidiary Company

The stock of a subsidiary (other than an insurance company) of an insurer shall be valued on the basis of the value of only such of the assets of such subsidiary as would constitute lawful investments for the insurer if acquired or held directly by the insurer.

Determination of Amortized Values of Bonds Received Under Reorganizations

The amount entered in the actual cost columns of Parts I and II, of Schedule D, for bonds and other securities received in exchange under reorganization, shall be based on the actual market quotations on such bonds and other securities at the time of acquisition of such bonds and other securities.

Mortgages Insured Under the National Housing Act

Companies shall be allowed to take credit for the amortized value, on a five year basis, for the premium paid on a mortgage insured under the National Housing Act.

Premium Paid on Real Estate Mortgage Loans

In the December 31, 1945 statements, the book values of real estate mortgages acquired at a premium may be reported at values reflecting write-offs of such premiums over a three year period from date of acquisition.

GENERAL

Resolved, that in order to meet any unforeseen conditions which may arise, the Committee on Valuation of Securities shall have full power to amend the resolutions regarding market and amortized values which have been adopted at this meeting. Such amendments shall become effective immediately upon their approval by the Executive Committee of the Association.

Resolved, that the Sub-Committee of the Committee shall have full charge of the valuation and amortization work including disposition of unusual situations not adequately covered by the foregoing resolutions.

Resolved, that in the cases where the condition of insurance companies, societies and associations may require the immediate disposition of securities, it is recommended that the discretion of the state supervisory officials of insurance should be exercised to vary the general formula herein set forth, so as to adopt prices reflected by the exchanges.

* * * *

The Sub-Committee on Valuation of Securities held a meeting in New York City on December 20, 1945 to review the work incident to the preparation, printing and distribution of this book. Decisions required as to amortizability of bonds and market values quoted herein pursuant to the Resolutions adopted on June 7, 1945 and amended on December 4, 1945, were made with the advice of the Executive Secretary and approval of the Sub-Committee.

Values of certain securities payable in foreign currencies are quoted in the appropriate foreign currency and in U. S. Dollars. Values expressed in foreign currencies should be used by insurance companies in their annual statements only if such companies have substantial policy liabilities payable in such currencies and establish an appropriate non-admitted asset on account of the exchange rate at which the assets and liabilities are expressed over the rate of exchange approved herein on any excess of assets over liabilities of such companies expressed in such currencies. The following are the rates of exchange as of December 1, 1945 applicable for use pursuant to this paragraph.

U. S. Dollars per Argentine Peso	\$0.248
U. S. Dollars per British Pound	4.025
U. S. Dollars per Canadian Dollar	0.9050
U. S. Dollars per Chilean Peso	0.035
U. S. Dollars per Columbian Peso	0.5825
U. S. Dollars per Cuban Peso	1.0013
U. S. Dollars per Indian Rupee	0.3035
U. S. Dollars per Mexican Peso	0.207
U. S. Dollars per Peruvian Sol	0.155
U. S. Dollars per Swedish Krona	0.2388
U. S. Dollars per Swiss Franc	0.2339
U. S. Dollars per Venezuelan Bolivar	0.3015
U. S. Dollars per Swiss Franc	0.239

In the case of bonds marked with the symbol \diamond there was no information or insufficient information submitted pursuant to the foregoing Resolution to determine that such bonds were amortizable and there was no information as to suitable market values. Any such bond should be entered in the annual statements at such market value as the company reporting such bond is prepared to justify on the basis of reasonable evidence.

The general procedure in making the valuations has been as follows: A card file is continually kept up to date containing full particulars regarding each bond or stock. The valuations for bonds and stocks which are not quoted on any of the regular Stock Exchanges or in the leading daily papers or financial periodicals have been determined from replies received to letters of inquiry sent by the Committee, to bond and stock brokers and bankers who are familiar with the particular securities.

The values of the securities of foreign countries not active on the regular stock exchanges of the United States have been determined by quotations on the various foreign stock exchanges.

The values of all bonds, except bonds in default, are given *not including accrued interest* in accordance with the requirements of the uniform statement blank adopted by the National Association of Insurance Commissioners. Bonds and stocks which have been called for redemption early in 1946 are carried in this book, at the call price. All other bonds are carried at the nearest dollar per cent values. Bonds in default as to principal or interest, also Common and Preferred stock have been valued on a flat basis — that is, past due and accrued interest on such bonds and *dividends accrued or declared on stocks* are included in the Association values. The symbol (F) preceding the valuation in this book for a bond indicates that the Association Value includes interest due and accrued and that additional credit for such interest should not be taken in assets in the statement. The values of stocks in this book are per share, *not per cent*.

Where the quoted prices on securities quoted only at long intervals seemed merely nominal, the figures were adjusted as the facts appeared to warrant.

Where there had been no sales or bids it was necessary to depend upon rates of dividends or interest paid, the book value of the securities, the subscription price and in general the financial condition of the issuing corporation and the rate for similar securities.

Under the alphabetical arrangement adopted, each security appears under the name of the corporation actually issuing the same, even though such corporation may be controlled by another. To illustrate: West Shore 4s of 2361 appear under West Shore Railroad, and not under New York Central Railroad, the controlling corporation.

It is important for each insurance company and society to send to the Committee on Valuation of Securities, 61 Broadway, New York 6, N. Y., at the *end* of each of the first three quarters of this year, and at the *end* of each of the other three months of the year schedules with full description of the bonds and stocks acquired during that period. Photographic schedules must be on white paper, the letters and figures black and no smaller than elite.

Abbreviations. Many words have been omitted from and many abbreviated in the descriptions and many serial bonds, issued by the same city or company and bearing the same rate of interest, have been merged in this book in order to expedite the writing of copy for the printer and the typesetting. It is important, however, for insurance companies and societies to continue giving the full names and locations of the issuing cities or companies with the full description of each security, the year and rate of option of the first year of redemption, and to report separately the different serial issues of the same city or company, although bearing the same rate of interest, in order that full information can be entered on the valuation cards. The merging in this book of serials issued by the same city or company was possible this year as many of them have the same value. Another year many similar mergers may be impossible. In some cases the words County, Company, Corporation, Consolidated, Convertible, etc., have been abbreviated in this book, but abbreviations should *not* be used in the company schedules. A list of the abbreviations used in this book will be found on page vii.

The Committee wishes to caution the general public against the use of this book as a guide for investors, or for the purpose of assisting in the sale or disposal of any securities. Its use by any brokerage firm or security salesman in a prospectus or otherwise, to assist in the sale of any security, will be unauthorized and improper. Its sole purpose is to facilitate the valuation of stocks and bonds held by insurance companies on a fair and uniform basis, and for that purpose it is believed by the Committee to be well adapted. The fact that a certain bond or stock is included in this list does not signify that it is a legal investment for insurance companies under the laws of all states or of any particular state.

ROBERT E. DINEEN, *Chairman*,
Committee on Valuation of Securities, National
Association of Insurance Commissioners.

STATUTES ENACTED IN 1945 RELATING TO FIRE AND MARINE INSURANCE

(Legislation affecting insurance companies other than fire and marine will be found in Part II of the Annual Report of 1945)

In accordance with the law providing for inclusion in the Report of the Commissioner of Insurance of Statutes enacted during the legislative year, I am including herein the following Chapters with comments where such comments are deemed desirable and helpful:

[CHAP. 46]

AN ACT RELATIVE TO THE MAKING BY BANKING INSTITUTIONS AND INSURANCE COMPANIES OF LOANS TO VETERANS OF WORLD WAR II GUARANTEED BY THE ADMINISTRATOR OF VETERANS' AFFAIRS.

Whereas, The deferred operation of this act would tend to defeat its purpose, which is to make available without delay to qualifying veterans of World War

II the benefits of the act of congress known as the Servicemen's Readjustment Act of 1944, and which became effective on June twenty-second, nineteen hundred and forty-four, therefore it is hereby declared to be an emergency law, necessary for the immediate preservation of the public convenience.

Be it enacted, etc., as follows:

SECTION 1. Subject to such regulations as the commissioner of banks deems to be necessary or advisable in respect to trust companies, savings banks, co-operative banks or credit unions, and to such regulations as the commissioner of insurance deems to be necessary or advisable in respect to insurance companies, any trust company, savings bank, co-operative bank, credit union or insurance company organized under the laws of this commonwealth is authorized, for a period ending five years after the termination of the present states of war between the United States and certain foreign countries, to make such loans and advances of credit to qualified veterans of World War II as are guaranteed in whole or in part by the administrator of veterans' affairs or his successor or successors in such office, under the act of congress known as the Servicemen's Readjustment Act of 1944, or any amendment thereof, and to obtain such guaranties.

SECTION 2. During the period that the provisions of this act are in force and effect, and, with respect to the obligation of any contract entered into during said period under the provisions of this act, for the life of said obligation, no provision of law limiting the power of a trust company, savings bank, co-operative bank, credit union or insurance company organized under the laws of this commonwealth to make loans shall apply to loans made pursuant to section one of this act, subject to regulations referred to in section one and guaranteed in whole or in part by the administrator of veterans' affairs.

SECTION 3. Nothing contained in this act shall, unless otherwise expressly provided therein, be deemed to abridge any power or authority conferred upon the commissioner of banks or commissioner of insurance by any other provision of law.

SECTION 4. The action of the governor in making and issuing on October eighteenth, nineteen hundred and forty-four, his executive order authorizing any savings bank, co-operative bank, trust company, credit union or insurance company doing business in this commonwealth to make loans and advances of credit to those applicants who procure the guaranty of the administrator of veterans' affairs in accordance with the provisions of Title III of the Servicemen's Readjustment Act of 1944, and all acts done and regulations issued pursuant to said order, are hereby expressly ratified and confirmed.

Approved February 24, 1945.

COMMENT:

This Law authorizes banks and insurance companies to engage in the making of loans to veterans of World War II under Title III of the Servicemen's Readjustment Act of 1944 commonly referred to as the GI Bill of Rights for a period ending five years after the present war terminates.

Such loans are limited to the purchase of construction of homes, farms and business property by Veterans of World War II and the Federal Statute authorizes the Administrator of Veterans' Affairs to guarantee up to fifty per cent of any loan or loans made for the purposes specified in the Law provided that the aggregate amount guaranteed does not exceed two thousand dollars on behalf of any one veteran.

The present Statute limits real estate investments by insurance companies to sixty per cent of the market value of the property and does not authorize any investment in farm equipment or in any business, supplies, equipment, machinery or tools, thereby necessitating that legislation be enacted to permit domestic insurance companies to make such loans. (General Laws, Chapter 175, Sections 63 to 66.)

This Legislation removes the restrictions enumerated above and also authorizes banks and insurance companies to make such loans subject to rules and regulations as may be promulgated by the Commissioner of Banks and the Commissioner of Insurance.

[CHAP. 57]

AN ACT TEMPORARILY CONFIRMING THE POWER AND AUTHORITY OF DOMESTIC INSURANCE COMPANIES, THEIR OFFICERS, DIRECTORS, EMPLOYEES AND AGENTS, TO PAY CERTAIN TAXES AND FEES, AND RELATING TO LIABILITY THEREFOR.

Whereas, Domestic insurance companies transacting business in various states and territories of the United States and the District of Columbia, and political subdivisions thereof, are required by the laws thereof to pay certain taxes and fees thereto, and, in view of recent decisions of the supreme court of the United States, there is a doubt, as yet unresolved specifically by final authority, as to the constitutionality of certain of such laws; and

Whereas, The deferred operation of this act would tend to defeat its purpose, which is to enable such companies, their officers, directors, employees and agents, to continue with safety to pay the taxes and fees imposed by any of such laws until any such law has been declared unconstitutional by the supreme court of the United States, therefore it is hereby declared to be an emergency law, necessary for the immediate preservation of the public convenience.

Be it enacted, etc., as follows:

SECTION 1. Every domestic insurance company and its officers, directors and agents and employees shall have power and authority to comply with any statute, ordinance or other law of any state or territory, including the District of Columbia, or any political subdivision thereof, imposing any license, excise, privilege, occupation, premium or other tax or fee or deposit requirement and to pay such tax or fee and make such deposit unless prior to such payment such statute, ordinance or other law shall have been expressly held invalid by the supreme court of the United States. No such company, officer, director, employee or agent shall be subject to liability by reason of any such compliance or payment either heretofore or hereafter made.

SECTION 2. This act shall become inoperative on July first, nineteen hundred and forty-seven.

Approved February 28, 1945.

COMMENT:

This Statute authorizes officers and directors of Massachusetts insurance companies to pay taxes and miscellaneous fees imposed upon such companies by the laws of states other than Massachusetts without being subject to the usual liability incurred by officers of corporations if the laws under which such taxes or fees are, at a later date, held to be invalid by the Supreme Court of the United States.

This Law has been advanced on a temporary basis until July 1, 1947, in order to give the individual states an opportunity to enact statutes relating to taxes and fees which will not be discriminatory between domestic and foreign insurance companies.

Such action by the states is allegedly necessary on account of the recent Decision of the Supreme Court of the United States in the Case of United States of America v. South-Eastern Underwriters Association, et al. which was handed down on June 5, 1944, and which is reported in 64 Sup. Ct. 1162 wherein the business of insurance was held to be interstate commerce and therefore subject to regulation by the Federal Congress except as to those activities which were already under proper state regulation.

The proponents of this Legislation alleged that the Decision hereinbefore referred to imposes upon foreign companies heavier taxes than those levied upon domestic companies. They have an arguable case.

This Department did not favor this Legislation because it does not appear to solve the taxation problem and creates a dangerous legislative precedent by supplying an argument that the Massachusetts Legislature doubts the validity of state tax laws patterned to a large extent upon the laws of this Commonwealth.

[CHAP. 159]

AN ACT RELATING TO THE ANNUAL STATEMENTS OF INSURANCE COMPANIES.

Be it enacted, etc., as follows:

Section twenty-five of chapter one hundred and seventy-five of the General Laws, as amended, is hereby further amended by striking out the second para-

graph, as appearing in the Tercentenary Edition, and inserting in place thereof the following paragraph:—

Such annual statement shall be made on a blank furnished by the commissioner under section fifteen or on an alternate form acceptable to him. There shall be embodied therein, so far as appropriate to the several companies, the substance of the forms provided for in this section, with any additional inquiries the commissioner may require for the purpose of eliciting a complete and accurate exhibit of the condition and transactions of the companies. The assets and liabilities shall be computed and allowed in such statement in accordance with the rules stated in sections nine, ten, eleven and twelve. Such statement shall be subscribed and sworn to by the president and secretary, or, in their absence, by two of its principal officers. The commissioner may at other times require any such statements as he may deem necessary.

Approved March 28, 1945.

COMMENT:

The present Statutes, Sections 15 and 25 of General Laws, Chapter 175, require insurance companies to file their annual statements upon one of the blanks furnished the company by the Commissioner.

The principal purpose of this Statute is to make it possible for insurance companies to furnish uniform information to the various State Departments thereby avoiding differences in their financial statements which may be confusing to the public.

[CHAP. 188]

AN ACT RELATIVE TO INVESTMENTS BY DOMESTIC INSURANCE COMPANIES IN CERTAIN MORTGAGES OF REAL PROPERTY.

Be it enacted, etc., as follows:

Section sixty-three of chapter one hundred and seventy-five of the General Laws is hereby amended by striking out paragraph seven, as appearing in the Tercentenary Edition, and inserting in place thereof the following paragraph:—

7. In loans upon improved and unencumbered real property in any state of the United States or in the District of Columbia, and upon leasehold estates in improved real property for a term of ninety-nine years or more where fifty years or more of the term is unexpired and where unencumbered except by rentals accruing therefrom to the owner of the fee, and where the mortgagee is entitled to be subrogated to all the rights under the leasehold. No loan on such real property or such leasehold estate shall exceed sixty-six and two thirds per cent of the fair market value thereof at the time of making such loan and a certificate of the value of such property shall be executed before the making of such loan by the persons making or authorizing such loan on behalf of the company, which certificate shall be recorded on the books of the company. The commissioner may from time to time establish a schedule of minimum payments which the company shall require to be made annually on the principal of any such loan made in an amount in excess of sixty per cent of such value. Any such schedule shall apply to all such loans for which a company makes a commitment after thirty days from its receipt of a written notice of such schedule from the commissioner. Real property shall not be deemed to be encumbered within the meaning of this paragraph by reason of the existence of instruments reserving mineral, oil or timber rights, rights of way, sewer rights, rights in walls, nor by reason of building restrictions or other restrictive covenants, nor by the reason that it is subject to lease under which rents or profits are reserved to the owner; provided, that the security for such loan is a first lien upon such real property and that there is no condition or right of re-entry or forfeiture under which such lien can be cut off, subordinated or otherwise disturbed.

Approved April 6, 1945.

COMMENT:

This Legislation will give Massachusetts Insurance Companies an opportunity to compete with other loaning agencies and with foreign insurance companies when they are in the market for first-mortgage investments not only in Massachusetts but in other

states, and the provisions of the proposed law under which any loan made in an amount in excess of 60% of the fair market value of the real estate loaned upon must be reduced under a schedule of minimum annual payments established by the Commissioner of Insurance will make certain that the principal of any such loan will be reduced under a pre-arranged plan.

Under the present law (General Laws, Chapter 175, Section 63, Provision 7), insurance companies are limited on first-mortgage loans to an amount not in excess of 60% of the fair market value of the real estate loaned upon.

[CHAP. 368]

AN ACT PROVIDING FOR THE ISSUANCE OF INSURANCE BROKERS' LICENSES
WITHOUT FEE TO BLIND PERSONS

Be it enacted, etc., as follows:

Section one hundred and sixty-seven A of chapter one hundred and seventy-five of the General Laws, as most recently amended by chapter two hundred and sixty of the acts of nineteen hundred and thirty-seven, is hereby further amended by inserting after the word "therein" in the eighth line the words:—, or of or on account of any blind persons, — so as to read as follows:— *Section 167A.* No fee for an insurance broker's license issued under section one hundred and sixty-six, one hundred and sixty-seven or one hundred and seventy-three shall be required of or on account of any soldier, sailor or marine resident in this commonwealth who has served in the army or navy of the United States in time of war or insurrection and received an honorable discharge therefrom or release from active duty therein, or of or on account of any blind person, if he presents to the commissioner satisfactory evidence of his identity, or of or on account of his widow if he held such a license immediately prior to his death.

Approved May 31, 1945.

COMMENT:

The purpose of this Legislation is to eliminate the fee charged for licenses issued to the classification of persons enumerated herein. It should be pointed out that this type of legislation now applies to an ever-increasing number of persons thereby reducing the revenue of the Department while increasing the operating expenses.

[CHAP. 384]

AN ACT AUTHORIZING MULTIPLE LINE UNDERWRITING, SO CALLED, BY CERTAIN
DOMESTIC AND FOREIGN STOCK AND MUTUAL INSURANCE COMPANIES.

Be it enacted, etc., as follows:

SECTION 1. Section thirty-four A of chapter ninety of the General Laws, as amended, is hereby further amended by striking out the paragraph defining the word "Certificate," as appearing in the Tercentenary Edition, and inserting in place thereof the following paragraph:—

"Certificate," the certificate of an insurance company authorized to issue in the commonwealth a motor vehicle liability policy, stating that it has issued to the applicant for registration of a motor vehicle such a policy which covers such motor vehicle, conforms to the provisions of section one hundred and thirteen A of chapter one hundred and seventy-five and runs for a period at least coterminous with that of such registration or that it has executed a binder, as defined in said section one hundred and thirteen A, under and in conformity with said section covering such motor vehicle pending the issue of a motor vehicle liability policy; or the certificate of a surety company authorized to transact business in the commonwealth under section one hundred and five of said chapter one hundred and seventy-five as surety, stating that a motor vehicle liability bond, payable to the commonwealth, which covers such motor vehicle, conforms to the provisions of said section one hundred and thirteen A, and runs for a period at least coterminous with such registration, has been executed by such applicant as principal and by such surety company as surety; or the certificate of the department stating that cash or securities have been deposited with the department as provided in section thirty-four D.

SECTION 2. Chapter one hundred and seventy-five of the General Laws is

hereby amended by inserting after section fifty-four A, inserted by chapter one hundred and sixty-five of the acts of nineteen hundred and thirty-two, the three following sections: — *Section 54B.* Any company authorized to transact the kinds of business specified in any one of the first, second, fourth, sixth or twelfth clauses of section forty-seven may, except with respect to policies of life and endowment insurance and contracts for the payment of annuities and pure endowments, reinsure risks of every kind or description and may, with respect to risks outside of the United States, its territories and possessions, write any and all kinds of insurance, provided it maintains a surplus to policyholders, including any guaranty capital, of not less than one million dollars.

Section 54C. Any company authorized to transact the kinds of business specified in the first or second clause, or in subdivision (b) of the sixth clause, of section forty-seven may insure against any loss of or damage to, or loss of use of, motor vehicles other than motor boats, or aircraft, their fittings or contents, or against legal liability for loss or damage on account of injury to or death of any person or on account of any damage to property of another, arising out of the ownership, maintenance or use of said vehicles or aircraft, provided it maintains a surplus to policyholders, including any guaranty capital, of not less than four hundred thousand dollars.

Section 54D. Any company authorized to transact the kinds of business specified in any of the first, second, fourth, sixth or twelfth clauses of section forty-seven may insure, by means of an all-risk type of policy commonly known as the personal property floater, against any and all kinds of loss of or damage to, or loss of use of, any individual's personal property other than merchandise.

SECTION 3. This act shall take effect on January first, nineteen hundred and forty-six.

Approved June 6, 1945.

COMMENT:

The purpose of this Law is:

1. *to empower any domestic company authorized to write fire, marine, surety, casualty or burglary insurance to reinsure risks of all kinds wherever located except life and endowment insurance and contracts for the payment of annuities and pure endowments and to insure risks of all kinds outside of the United States other than life and endowment insurance and contracts for the payment of annuities and pure endowments provided it has a surplus to policyholders of not less than one million dollars.*
2. *to empower any fire, marine, casualty or surety company authorized to write liability insurance to issue a full coverage policy on motor vehicles or aircraft provided it has a surplus to policyholders of not less than four hundred thousand dollars and*
3. *to empower any company authorized to write fire, marine, surety, liability or burglary insurance to insure personal property other than merchandise for all-risk coverage by the issuance of a personal property floater policy.*

This Legislation further permits fire, marine, casualty and surety companies to reinsure risks of every kind and description in the world except policies of life and endowment insurance and contracts for the payment of annuities and pure endowments providing the company maintains a surplus to policyholders of not less than one million dollars and also to insure certain risks outside of the United States.

An insurance industry committee is working with the Committee of the National Association of Insurance Commissioners to develop suggested legislation which will permit complete multiple line underwriting so-called by all types of fire, marine, casualty and surety companies. This Legislation is but the first step toward that end.

The terms of the Legislation make available to Massachusetts citizens insurance protection previously denied them which is now available in forty states of the Union.

[CHAP. 399]

AN ACT AUTHORIZING MAKING CERTAIN FIRE INSURANCE POLICIES PAYABLE TO MORTGAGEES UNDER PRESENT OR FUTURE MORTGAGES.

Be it enacted, etc., as follows:

SECTION 1. Section ninety-seven of chapter one hundred and seventy-five

of the General Laws, as amended by chapter thirty-one of the acts of nineteen hundred and thirty-three, is hereby further amended by adding at the end the following sentences: — A fire insurance policy when it is issued, or by means of an endorsement thereon or a rider attached thereto, may be made payable to a mortgagee or mortgagees as their interests may appear under any present or future mortgage or mortgages. Nothing herein contained shall prevent policies being made payable to a mortgagee or mortgagees in any other lawful manner.

SECTION 2. The provisions of this act shall not affect the rights of any mortgagee under any policy of fire insurance in force upon the effective date of this act.

Approved June 11, 1945.

COMMENT:

The Standard form of fire insurance policy is set forth in Section 99 of General Laws, Chapter 175 and Clause Ninth of said Section 99 authorizes companies to add to or modify provisions in the standard form either by endorsements or by riders but it does not authorize the addition to or modification of any of the rights of a mortgagee, a cancellation of the policy, a reference of the amount of loss to three referees or the limitation of actions or suits.

This Law permits insurance companies to cover the interests of all mortgagees under mortgages existing at the time of loss.

[CHAP. 609]

AN ACT DEFINING MORE SPECIFICALLY THE POWERS OF CERTAIN INSURANCE COMPANIES.

Be it enacted, etc., as follows:

SECTION 1. Chapter one hundred and seventy-five of the General Laws is hereby amended by striking out the first sentence of section fifty, as appearing in the Tercentenary Edition, and inserting in place thereof the following sentence: — A stock company, by a two thirds vote of all its stock entitled to vote, or a mutual company, by a two thirds vote of those members present and voting, at a meeting duly called therefor, may alter, add to or change, to the extent authorized by this chapter, the classes of insurance for the transaction of which it was incorporated, may change the location of its principal office or place of business in the commonwealth, or, in the case of a stock company, may provide for the transaction of insurance on a participating plan, or may increase or reduce the par value of the shares of its capital stock, which value shall not be less than five nor more than one hundred dollars, or, in the case of either a stock company or a mutual company, may make any other lawful amendment or alteration in its agreement of association or articles of organization, or in the corresponding provisions of its act of incorporation.

SECTION 2. Said chapter one hundred and seventy-five is hereby further amended by striking out section one hundred and fifty, as so appearing, and inserting in place thereof the following section: — *Section 150.* Foreign companies, upon complying with the conditions herein set forth applicable to such companies, may be admitted to transact in the commonwealth as provided in section one hundred and fifty-seven, any kinds of business authorized by this chapter, subject to all general laws now or hereafter in force relative to insurance companies, and subject to all laws applicable to the transaction of such business by foreign companies and their agents; except that no foreign stock company may issue participating policies unless specifically authorized to do so by its charter; provided, that no provision of law which by its terms applies specifically to domestic life companies shall thereby become applicable to foreign life companies; and provided, further, that the provisions of section eighty-one relative to the contingent mutual liability of members shall not apply to any foreign mutual fire company which had been admitted to transact business in the commonwealth prior to January first, nineteen hundred and twenty-one and was then actually transacting business therein without complying with said provisions.

Approved July 13, 1945.

COMMENT:

Under the present Law under which a stock company is organized, its agreement of association must state the business plan or principle upon which it proposes to transact business (General Laws, Chapter 175, Section 49, Paragraph 4) but there is no authority under the present Statute under which such a company may amend its agreement of association and change over from the non-participating plan of operation to the participating plan.

This Legislation incorporates into the Insurance Law (General Laws, Chapter 175, Section 50) definite authority by which a stock insurance company may, by a proper vote, amend its purposes so that it may transact business on the participating plan.

[CHAP. 68]

RESOLVE PROVIDING FOR AN INVESTIGATION AND STUDY BY A SPECIAL UNPAID COMMISSION RELATIVE TO THE LAWS PERTAINING TO THE SOLICITATION OF MORTGAGES AND RELATIVE TO FAIR PRACTICES IN MORTGAGE LENDING AND RELATED MATTERS.

Resolved, That an unpaid special commission, consisting of two members of the senate to be designated by the president thereof, three members of the house of representatives to be designated by the speaker thereof, the commissioner of banks or a person appointed by him, the commissioner of insurance or a person appointed by him, the president of the Federal Reserve Bank or a person appointed by him and the president of the federal home loan bank of Boston or a person appointed by him, is hereby established for the purpose of investigating the advisability of revising the laws of the commonwealth relative to the solicitation and procurement of mortgages, mortgage loans and other loan agreements, and of studying the laws and practices governing the mortgaging of real estate with a view to recommending such changes therein as may be necessary or desirable to eliminate any existing abuses. In making its investigation and study hereunder, said commission shall consider the subject matter of current house documents numbered four hundred and eighty-one and nine hundred and thirty-one. Said commission shall be provided with quarters in the state house or elsewhere, shall hold hearings, shall have the power to summons witnesses and to require the production of books, records and papers, and the giving of testimony under oath, and may employ technical assistants and expend for clerical and other services and expenses, such sums, not exceeding, in the aggregate, thirty-five hundred dollars, as may hereafter be appropriated therefor. Said commission shall report to the general court the results of its investigation and study, and its recommendations, if any, together with drafts of legislation necessary to carry its recommendations into effect, by filing the same with the clerk of the house of representatives on or before the first Wednesday in December in the current year.

Approved July 23, 1945.

Ordered, That the committee on Insurance is hereby authorized to sit during the recess of the General Court to make an investigation and study of the question of the advisability or necessity of enacting legislation in this Commonwealth empowering the Commissioner of Insurance or other appropriate authority to fix and establish insurance rates and charges of any or all kinds and to that end to inquire into what action, if any, has been taken or is contemplated by other states in this matter as a result of the decision of the Supreme Court of the United States in the Southeastern Underwriters' case, so called, and subsequent federal legislation. In making its investigation and study the committee shall consider the subject matter of current Senate document numbered three hundred and five and current House documents numbered ninety-five, ninety-seven and thirteen hundred and ninety-nine. The committee shall be provided with quarters in the State House, may hold hearings and require the attendance and testimony of witnesses under oath and the production of books and papers. It may employ such clerical and legal and expert assistance as may be necessary, may travel within and without the Commonwealth in pursuance of its duties, and may also incur such other incidental expenses as may be

necessary in the conduct of the investigation, and may expend for said purposes a sum, not exceeding, in the aggregate, seventy-five hundred dollars, as may be appropriated therefor. Said committee shall report to the General Court the results of its investigation and its recommendations, if any, and drafts of legislation necessary to carry said recommendations into effect, by filing the same with the Clerk of the Senate on or before the thirtieth day of March, nineteen hundred and forty-six.

Adopted July 20, 1945.

DEPARTMENT FINANCES

The increase in the expenses of the Insurance Division of the Department of Banking and Insurance is due in large measure to the increased duties which year by year are being imposed upon the Department as a result of the enactment of new legislation. We have made it a practice to call the attention of the Committee on Insurance and the Committee on Ways and Means to the fact that certain legislation, increasing our responsibilities, also required additional personnel. In some instances, it has been our opinion that the proposed legislation could be modified to minimize the expense to the Commonwealth. From time to time, our suggestions have been accepted. In other cases, legislation which we considered unnecessary was adopted primarily because the proponents of the legislation were better able to persuade the Legislature that such legislation should be adopted. Naturally when the decision has been made by the Legislature to increase the duties of the Department, it is the responsibility of the Commissioner to ask that provision be made for the necessary personnel to effectively administer the new laws. As an administrative official, it is my duty to make recommendations concerning legislation to your Honorable Body, but after the will of the Legislature has been translated into law, it is my duty as an administrative official to administer those laws to the best of my ability without mental reservation. This has been my policy since entering the service of the Commonwealth. It will continue to be my policy throughout my public service. I shall strive to economically administer the laws enacted by your Honorable Body.

It should be borne in mind that during the past four years, the number of our staff has been below normal due to the difficulty in securing personnel to replace those who have entered the Armed Forces, or who have decided to take advantage of the improved opportunities for increasing their earning capacity in private industry. We have made every effort to develop administrative processes which will minimize the cost of regulation to the people of the Commonwealth. The following schedule of Divisional Expense shows the income and disbursements over a ten year period:

DIVISIONAL EXPENSES

Year	Income	Commissioner's Salary	Personal Services	Contingent Expenses	Board of Appeal on Fire Insurance Rates	Total
1936	\$276,514.02	\$6,000.00	\$249,037.85	\$59,639.43	\$617.51	\$315,294.79
1937	276,446.02	6,000.00	251,626.24	68,516.46	250.00	326,392.70
1938	280,084.09	6,000.00	269,483.25	70,921.60	424.20	346,829.05
1939	275,330.68	6,000.00	302,776.89	74,882.57	190.00	383,849.46
1940	278,962.97	6,000.00	311,641.30	67,696.54	103.50	385,411.34
1941	269,000.11	6,000.00	325,300.68	73,060.71	60.00	404,421.39
1942	251,484.45	6,000.00	343,126.71	65,648.44	20.00	414,795.15
1943						
(7 mos.)	166,219.87	3,500.00	194,307.33	32,271.11	-	230,078.44
1944	255,420.77	7,650.31	364,942.97	70,396.19	-	442,989.47
1945	287,151.50	7,860.00	369,502.62	64,296.04	-	441,655.66

I call the attention of the Legislature to the fact that the revenue from the tax on insurance premiums, which is paid to the Department of Corporations and Taxation by insurance companies, constitutes income from the insurance organizations under the supervision of this Department. This income amounts to several million dollars not accounted for in this report, but nevertheless it represents income which was originally intended to pay for the cost of the supervision of insurance organizations. The income collected by this Department is presented in itemized form in the following table. The increasing business of life companies gives rise to an increasing tax income. There have been decreases in the income from agents and brokers licenses, due mainly to the fact that these licensees have been reduced by the demands of the

Armed Forces. Mention is made of the fact, that as brokers return from service in the Armed Forces, they will be relieved of the obligation to pay license fees; hence, this income will continue to diminish while this benefit to the licensees continues to be authorized by law.

INCOME FOR FISCAL YEAR — JULY 1, 1944 TO JUNE 30, 1945

Life Ins. Companies' Valuation Tax.....	\$56,583.92
Agents' Licenses.....	97,341.09
Brokers' Licenses.....	91,380.00
Company Licenses.....	1,842.00
Adjusters' Licenses.....	1,950.00
Certificate Fees.....	3,231.40
Charter Fees.....	185.00
Service of Process Fees.....	168.00
Statement Fees.....	8,074.00
Advisers' Licenses.....	350.00
Re-examination Fees—Agents.....	325.00
Re-examination Fees—Brokers.....	238.00
Re-examination Fees—Adviser.....	10.00
Reimbursement for Services.....	2,175.06
Reimbursement—Examination of Retirement Systems.....	22,848.03
Miscellaneous (Retaliatory Fees).....	450.00
	<hr/>
	\$287,151.50

The item entitled, "Reimbursement for Services" is set forth in the following statement:

REIMBURSEMENT FOR SERVICES

Income for Fiscal Year, July 1, 1944 - June 30, 1945

	TRAVEL	SALARIES
Union Mutual Life Insurance Co.....	\$485.55	\$612.09
Allstate Fire Insurance Co.....	171.64	102.90
Employers' Liability Assurance Corp'n., Ltd.....	418.99	
Manufacturers' Casualty Ins. Co.....	175.52	183.67
	<hr/>	<hr/>
	\$1,251.70	\$898.66
Total Travel Reimbursement.....	\$1,251.70	
Total Salary Reimbursement.....	898.66	
	<hr/>	
	\$2,150.36	
St. Francis Benefit Association (copy of By-Laws).....	1.70	
Liberty Mutual Ins. Co. (copy of complaint).....	10.00	
Boston Manufacturers Mutual Fire Ins. Co. (copy of Report of Exam).....	5.00	
Fall River Manufacturers Mutual Fire Ins. Co. (copy of Report of Exam).....	3.80	
Worcester Manufacturers Mutual Fire Ins. Co. (copy of Report of Exam).....	4.20	
	<hr/>	
	\$2,175.06	

During the fiscal year ending June 30, 1945, the Division of Insurance collected fees amounting to \$287,151.50 of which \$91,380.00 was produced by brokers' licenses, \$97,341.09 by agents' licenses, \$56,583.92 by the valuation of life policies, \$8,074.00 by annual statements and \$33,772.49 from miscellaneous sources.

The expenses amounted to \$441,658.66.

FINANCIAL STATEMENT VERIFIED

(Under Requirements of C. 7, S 19 GL)

Date January 9, 1947

By JOSEPH A. PRENNEY, for the Comptroller

Approved for Publishing

FRED A. MONCEWICZ, *Comptroller*

AGENTS AND BROKERS EXAMINED

The termination of World War II with the consequent return of veterans to civilian life of large numbers of those who are interested in entering the insurance business, has increased the work of the Licensing Division devoted to the licensing of agents and brokers. This work continues to be handled efficiently and intelligently under the supervision of Deputy Commissioner Joseph S. O'Leary and William F. Ward, Director of Agents and Brokers Examinations.

The following tabulation shows the results of the effort of those who presented themselves for examination:

AGENTS AND BROKERS EXAMINED

Year	<i>Agents</i>		% Passed
	Appeared	Passed	
1942.....	1521	1021	67.1
1943.....	1387	1012	73.1
1944.....	1259	881	70.0
1945.....	1717	1321	76.8
<i>Brokers</i>			
1942.....	291	151	51.8
1943.....	263	145	54.9
1944.....	301	157	52.3
1945.....	454	209	46.0
1945 — Brokers' Licenses Issued:			
Regular Full Coverage Licenses.....		2772	
Limited Coverage Licenses.....		519	
Partnership Licenses.....		142	
		3433 Paid Licenses	
Regular Veterans Full Coverage Licenses....		1704	
Limited Veterans Coverage Licenses.....		171	
		1875 Unpaid Licenses	
Total.....		5308	

FIRE AND MARINE INSURANCE COMPANIES IN RECEIVERSHIP

GLOUCESTER MUTUAL FISHING INSURANCE COMPANY

Louis A. Novins, 19 Milk Street, Boston, was appointed receiver June 18, 1937. Since Mr. Novins entered the service of the United States Government, he has not returned to this Commonwealth and his records have not been available for verification. A certificate from the Pilgrim Trust Company showed the balance on deposit to the Receiver's account as of December 31, 1945 was the same as on December 31, 1944, namely, \$846.79.

EXAMINATION OF FIRE AND MARINE INSURANCE COMPANIES

The following is a record of the examinations made by this Department during the year 1945 of fire and marine insurance companies authorized to transact business in the Commonwealth of Massachusetts:

COMPANY	LOCATION	EXAMINATION AS OF	EXAMINATION COMMENCED
EXAMINATIONS COMPLETED IN 1945			
Arkwright Mutual Fire Ins. Co.	Boston	June 30, 1945	Sept. 6, 1945
Associated Merchants Mutual Ins. Co.	Boston	Mar. 31, 1945	May 1, 1945
Attleboro Mutual Fire Ins. Co.	Attleboro	June 30, 1945	Sept. 21, 1945
Barnstable County Mutual Fire Ins. Co.	Yarmouthport	Nov. 30, 1944	Dec. 19, 1944
Cambridge Mutual Fire Ins. Co.	Andover	Sept. 30, 1944	Nov. 16, 1944
Dorchester Mutual Fire Ins. Co.	Boston	June 30, 1945	Oct. 26, 1945
Employers' Fire Ins. Co. ¹	Boston	Dec. 31, 1944	Dec. 29, 1944
Federal Mutual Fire Ins. Co.	Boston	Sept. 30, 1944	Nov. 20, 1944
Fitchburg Mutual Fire Ins. Co.	Fitchburg	June 30, 1945	Sept. 18, 1945
Lowell Mutual Fire Ins. Co.	Lowell	Sept. 30, 1944	Dec. 7, 1944
Massachusetts Fire and Marine Ins. Co.	Boston	Dec. 31, 1944	Dec. 29, 1944
Merchants and Farmers Mutual Fire Ins. Co.	Worcester	Sept. 30, 1944	Nov. 20, 1944

¹ Zone Examination.

Merrimack Mutual Fire Ins. Co.	Andover	Sept. 30, 1944	Nov. 16, 1944
Pioneer Mutual Ins. Co.	Boston	Dec. 31, 1944	April 20, 1945
Salem Mutual Fire Ins. Co.	Salem	Sept. 30, 1945	Dec. 6, 1945
West Newbury Mutual Fire Ins. Co.	West Newbury	June 30, 1945	Nov. 5, 1945
Worcester Mutual Fire Ins. Co.	Worcester	Dec. 31, 1944	Dec. 29, 1944

EXAMINATIONS PENDING DEC. 31, 1945

Allied American Mutual Fire Ins. Co. ¹	Boston	Dec. 31, 1945	Dec. 31, 1945
United Mutual Fire Ins. Co. ¹	Boston	Dec. 31, 1944	Oct. 15, 1945

EXPENSE OF ZONE EXAMINATIONS

The only examination of a Massachusetts fire or fire and marine insurance company which was completed in 1945 and in which other zones participated was that of the Employers' Fire Insurance Company of Boston. This examination was made in conjunction with those of the two casualty members of the Employers' Group, the American Employers' Insurance Company of Boston and the United States Branch of the Employers' Liability Insurance Corporation, Ltd., of London, England. The total cost to the Group was \$22,335 which will be reported in detail in Part II of this report.

SPECIAL EXAMINATIONS OF FOREIGN INSURANCE COMPANIES

During 1945 the following foreign fire and marine insurance companies were examined in connection with their applications for licenses to transact business in Massachusetts. The Commonwealth was reimbursed by the companies for expenses and salaries of our examiners in the amounts indicated.

Company	Expenses	Salaries
Allstate Fire Ins. Co., Chicago, Ill.	\$279.25	\$154.23
American Aviation and General Ins. Co., Reading, Pa.	60.26	40.00
Interstate Ins. Co., Newark, N. J.	101.18	150.00
Manufacturers Fire Ins. Co., Philadelphia, Pa.	56.07	66.67
National Surety Marine Ins. Co., New York, N. Y.	94.57	120.64
Planet Ins. Co., Detroit, Mich.	148.47	66.32
Surety Fire Ins. Co., New York, N. Y.	37.35	32.90
	<hr/> \$777.15	<hr/> \$630.76

OPINIONS OF THE ATTORNEY GENERAL

The following communication was directed to the Attorney General of the Commonwealth as a result of certain differences of opinion which have arisen in connection with the administration of Section 80 of Chapter 175. The Attorney General's reply, dated January 16, 1945, follows my letter requesting the opinion. This opinion of the Attorney General resolves the questions involved and establishes the policy to be followed by this Department in the administration of the law.

January 4, 1945

No. 401
Hon. Robert T. Bushnell,
Attorney General
State House
Boston, Massachusetts

Dear Sir:

In connection with an examination of the affairs of a domestic mutual fire insurance company recently made by this Department certain questions have arisen relating to the interpretation and application of Section 80 of Gen. Laws, Chapter 175.

In order to arrive at a proper determination of the subject matter before the Department your advice and opinion on the following questions are requested:

1. May a domestic mutual fire company apportion any of its fire insurance risks *located in the Commonwealth and insured under contracts made in Massachusetts* into classifications other than such classifications as are definitely specified in Section 80?

¹Zone Examination.

2. Does the requirement of Section 80 that classifications of risks be approved by the Commissioner apply to classifications of risks which are *located outside the Commonwealth and insured under contracts made outside Massachusetts?*
3. May a domestic mutual company apportion any of its risks *located outside the Commonwealth and insured under contracts made outside Massachusetts* into classifications other than such classifications as are specified in Section 80?

Respectfully yours,

CHARLES F. J. HARRINGTON
Commissioner of Insurance

No. 401

THE COMMONWEALTH OF MASSACHUSETTS

Department of the
ATTORNEY GENERAL
Boston

January 16, 1945

Hon. Charles F. J. Harrington
Commissioner of Insurance

Dear Sir:

You have asked my opinion upon three questions of law relating to the classification of fire insurance risks by domestic mutual companies under G. L. (Ter. Ed.) c. 175, S. 80, as amended.

1. Your first question reads:

"May a domestic mutual fire company apportion any of its fire insurance risks *located in the Commonwealth and insured under contracts made in Massachusetts* into classifications other than such classifications as are definitely specified in section 80?"

I answer your question in the negative.

Said section 80 in its applicable portions provides: (1) that the directors of a mutual fire company may fix the percentages of dividend or expiration return of premium to be paid on expiring or cancelled policies which may, with the approval of the Commissioner of Insurance, be different from policies insuring against the different kinds of risks specified in section 47 of said chapter 175 which may be written by such a company; (2) with regard to policies *insuring against loss by fire* the section specifically provides that such percentage may be different for "farm risks, fireproof risks, . . . manufacturing or storage risks, or manufacturing or storage risks confined to lumber and woodworking only" from "that for policies insuring other risks against fire for the same term." The section further provides that "policies insuring *risks in this commonwealth* in the same classification shall have an equal rate of dividend or return of premium."

Inasmuch as the Legislature in the foregoing terms of said section 80 has specifically designated the classes of *fire risks* which may be given percentages of dividend or expiration return of premium different from the percentage established for *other fire risks*, it has shown an intention that such designated classes of fire risks shall be exclusive of any other *fire risks* and has not accorded authority to domestic mutual fire companies to add to such classes or to apportion *fire risks* for the purposes of giving different percentages into other classifications than those set forth in the said section.

As a principle of construction, express mention of one or more matters in a statute is generally held to exclude by implication other similar matters not mentioned. *Boston & Albany Railroad v. Commonwealth*, 296 Mass. 426, 434; *Spence, Bryson, Inc. v. China Products Co.*, 308 Mass. 81, 88.

2. Your second question reads:

"Does the requirement of section 80 that classifications of risks be approved by the Commissioner apply to classifications of risks which are *located outside the Commonwealth and insured under contracts made outside Massachusetts?*"

I answer this question in the negative.

A contract of insurance made outside the Commonwealth is governed by the laws of the state in which it is made. *Bottomley v. Metropolitan Life Ins. Co.*, 170 Mass. 274; *Dolan v. Mutual Reserve Fund*, 173 Mass. 197; *Johnson v. Mutual Life Ins. Co.*, 180 Mass. 407, 408, 409; *Stone v. Old Colony Street Railway*, 212 Mass. 459.

Fire policies written outside Massachusetts conforming in their terms concerning classification for percentages of dividend or expiration return of premiums with the laws of the state in which the contract is made are valid. In making the various provisions respecting such classifications, including approval by the Commissioner of Insurance, the Legislature would appear to have been regulating the making of such contracts of fire insurance only as are executed within the Commonwealth. As to these, the provisions of said section 80 govern contracts made in Massachusetts by both domestic mutual fire companies and by foreign mutual fire companies (G.L. (Ter. Ed.) c. 175, S. 150) irrespective of the laws of the states where such foreign companies are situated, but as to contracts made outside Massachusetts by domestic and foreign companies alike, the provisions of said section 80 do not apply.

If the Legislature had intended to impose a prohibition in this connection upon domestic companies with respect to risks outside Massachusetts, it doubtless would have used words indicating such an intent, such words, referring to the risks designated in section 80, as "wherever located," as was done in the amendment of R.L., c. 118, S. 20, by St. 1907, c. 576, S. 20, now embodied in G.L. (Ter. Ed.) c. 175, S. 21, with respect to the insurable limits of a single risk.

The provision in section 80 that "policies insuring risks in this commonwealth in the same classification shall have an equal rate of dividend or return of premium" and the further provision that "every policy placed in any classification made under this section shall, when issued, bear an endorsement, satisfactory to the commissioner, to the effect that it is so classified" indicate that the Legislature intended by the terms of section 80 to regulate the classifications therein provided for contracts made in Massachusetts and did not intend in respect to such classifications to attempt to regulate contracts made outside the Commonwealth.

3. Your third question reads:

"May a domestic mutual company apportion any of its risks located outside the Commonwealth and insured under contracts made outside Massachusetts into classifications other than such classifications as are specified in section 80?"

I answer this question to the effect that such a company may apportion risks located and insured outside the Commonwealth into classifications other than those specified in said section 80 if the law of the state where the contract of insurance is made permits such classifications.

The same considerations which were applicable to your second question apply to the third also and make it apparent that the implied prohibitions contained in said section 80 of classifications other than those specified therein are not applicable to contracts of fire insurance made outside the Commonwealth.

Very truly yours,

/s/ROBERT T. BUSHNELL,

Attorney General

RULES AND REGULATIONS

Rulings of the Commissioner of Insurance issued in the interest of efficiency and proper administration of the insurance laws are included in this part of the report insofar as they pertain to companies authorized to transact business in this Commonwealth. Certain of these rulings apply to all classes of companies. In which case, they are designated and will be referred to by cross reference in Part II. The rulings are as follows:

(Released by National Association of Insurance Commissioners at Washington January 15, 1945)

INSURANCE GROUP ASK FEDERAL LEGISLATION

Representatives National Insurance Organizations agree on Compromise Bill:

That speedy Congressional action on the insurance question is possible as a result of an accord reached by representatives of the various insurance groups is the opinion expressed by Honorable Newell R. Johnson and Honorable Charles F. J. Harrington, President and Legislative Committee Chairman, respectively, of the National Association of Insurance Commissioners.

The insurance representatives, after a week of daily sessions, agreed on a legislative proposal which they request Commissioners Johnson and Harrington to present to Congress. The proposal represents a compromise of many views although it was based on the program of the National Association of Insurance Commissioners submitted to the Congress last Fall.

The submitted bill provides that the regulation and taxation of insurance shall be left to the States; that no Congressional Act shall be construed to invalidate, impair, or supersede any State law regulating or imposing a fee or tax on the insurance business unless the Federal Act specifically so provides; that the business shall be exempt from the operations of the Federal Trade Commission Act and the Robinson-Patman Antidiscrimination Act.

For the purpose of enabling the business to make necessary adjustments in organization and operating methods and in order that the legislatures of the various States may have the time in which to adopt laws designed to authorize concert of action in rate-making and other cooperative activities when approved by State Supervisory Officials, Section 4 of the compromise bill grants a moratorium on the Sherman Law to June 1, 1947, whereas the interim period to allow for changes necessary to permit of operation under the Clayton Act is fixed at January 1, 1948. However, the proposal makes it clear that nothing in it shall render the Sherman Act inapplicable to Acts of boycott, coercion, or intimidation even for a limited time.

Commissioners Johnson and Harrington, who are in Washington acting for the N. A. I. C., have accepted and endorsed the compromise bill because as public officials they believe it to be a reasonable solution of the more important problems arising from the decision of the Supreme Court in the S. E. U. A. case. They recognize also that when so large a number of representative insurance groups get together, the result must, of necessity, represent substantial concessions in points of view.

The Commissioners were hopeful, particularly since the compromise bill is well within the terms of President Roosevelt's letter of January 2nd to Senator Radcliffe, that this demonstration of unity on the part of the insurance groups will make possible Congressional action early in February.

A Congressional declaration that the taxation of insurance is to be left to the several States will be reassuring to those companies which, without such assurance, would be under the necessity of protesting tax payments to many of the States because of the recognized differences in tax treatment between domestic and foreign companies. States having February 1st tax payments due are North Carolina, South Carolina, Tennessee, and Kentucky.

Boston, January 31, 1945

To All Massachusetts Insurance Companies:

We are writing to apprise you of the latest information concerning legislation proposed to the Congress of the United States to remedy the dislocations which flow from the decision of the Southeastern Underwriters' case.

While it is recognized that a Constitutional Amendment is the only device by which the business can be restored to the "status quo ante," the legislative proposal pending before the House of Representatives is the best stop-gap legislation that can be devised which will compose the differences of various interested groups in the insurance business. The bill follows substantially the legislative proposal of the Insurance Commissioners, which was prepared with due regard for the public interest.

There is attached a letter and copy of the compromise bill, introduced with the letter, together with a press release prepared by the Commissioners on the subject. The bill was passed by the Senate on Thursday, January 25, with the following amendment:

In Section 2(b), after the word "Congress" there was inserted the words "except the Act of July 2, 1890 as amended, known as the Sherman Act and the Act of October 15, 1914 as amended, known as the Clayton Act." The bill was further amended by inserting in Section 4(b), in the second line after the word "any" and before the word "Act," the words "agreement or."

The bill amended has been advanced to the House for action. We are hopeful that speedy favorable action will be forthcoming.

When this bill becomes a law, the Sub-Committee on Federal Legislation of the National Association of Insurance Commissioners will resume hearings and conferences with representatives of the industry and the public in an effort to decide what legislation, if any, is necessary to be enacted by the Congress to meet the situation which will arise at the conclusion of the moratorium period provided for in the attached bill.

Very truly yours,

CHARLES F. J. HARRINGTON,
Commissioner of Insurance

Washington, D. C.
January 12, 1945

Honorable Pat McCarran, *Chairman*
Committee on the Judiciary of the Senate
The Capitol
Washington, D. C.

Dear Senator:

There is submitted herewith a form of bill, which the undersigned respectfully request be favorably considered and reported by the Committee on the Judiciary of the Senate.

Honorable Newell Johnson, President of the National Association of Insurance Commissioners, and Honorable Charles F. J. Harrington, Chairman of the Sub-Committee on Federal Legislation of such Association, have been requested by the undersigned to present this letter and legislative proposal, and are authorized to speak on our behalf with respect thereto.

Respectfully submitted,

AMERICAN LIFE CONVENTION
By ROBERT L. HOGG

ROBERT L. HOGG
AMERICAN MUTUAL ALLIANCE
By A. V. GRUHN

A. V. GRUHN, General Manager
ASSOCIATION OF CASUALTY AND
SURETY EXECUTIVES
By RAY MURPHY

RAY MURPHY, General Counsel
INLAND MARINE UNDERWRITERS
ASSOCIATION
By J. V. HERD

J. V. HERD

IN THE SENATE OF THE UNITED STATES

A BILL

To express the intent of the Congress with reference to the regulation of the business of insurance.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Congress hereby declares that the continued regulation and taxation by the several States of the business of insurance is in the public interest, and that silence on the part of the Congress shall not be construed to impose any barrier to the regulation or taxation of such business by the several States.

Sec. 2. (a) The business of insurance, and every person engaged therein, shall be subject to the laws of the several States, which relate to the regulation or taxation of such business.

(b) No Act of Congress shall be construed to invalidate, impair or supersede any law enacted by any State for the purpose of regulating the business of insurance, or which imposes a fee or tax upon such business, unless such Act specifically so provides.

Sec. 3. Nothing contained in the Act of September 26, 1914, known as the Federal Trade Commission Act, as amended, or the Act of June 19, 1936, known as the Robinson-Patman Anti-discrimination Act, shall apply to the business of insurance or to acts in the conduct of that business.

Sec. 4. (a) For the purpose of enabling adjustments to be made and legislation to be adopted by the several States and Congress, until June 1, 1947, the Act of July 2, 1890, as amended, known as the Sherman Act, shall not apply to the business of insurance, or to acts in the conduct of such business, and until January 1st, 1948, the Act of October 15, 1914, as amended, known as the Clayton Act, shall not apply to such business or to acts in the conduct thereof.

(b) Nothing contained in this Section shall render the said Sherman Act inapplicable to any act of boycott, coercion or intimidation.

Sec. 5. Nothing contained in this Act shall be construed to affect in any manner the application to the business of insurance of the Act of July 5, 1935, as amended known as the National Labor Relations Act, or the Act of June 25, 1938, as amended, known as the Fair Labor Standards Act of 1938.

Sec. 6. As used in this Act, the term "State" includes the several States, Alaska, Hawaii, Puerto Rico, and the District of Columbia.

Sec. 7. If any provision of this Act, or the application of such provision to any person or circumstances, shall be held invalid, the remainder of the Act, and the application of such provision to persons or circumstances other than those as to which it is held invalid, shall not be affected.

NATIONAL ASSOCIATION OF
INSURANCE AGENTS

By W. RAY THOMAS

W. RAY THOMAS, *President*

NATIONAL ASSOCIATION OF
MUTUAL INSURANCE AGENTS

By PHILIP L. BALDWIN

PHILIP L. BALDWIN, *Exec. Secretary*
EDWARD L. WILLIAMS

EDWARD L. WILLIAMS on behalf of
NATIONAL BOARD OF FIRE
UNDERWRITERS, INSURANCE
EXECUTIVES ASSOCIATION

NATIONAL ASSOCIATION OF
INSURANCE BROKERS, INC.

By HARRY E. MOORE per WRT

HARRY E. MOORE

THE NATIONAL ASSOCIATION OF
CASUALTY AND SURETY AGENTS

By JOHN E. O'NEIL per WRT

JOHN E. O'NEIL

NOTE: *The foregoing communications were distributed to all insurance companies authorized to transact business in this Commonwealth for the purpose of allaying the fears of those who had not been apprised of the progress made in the Congress with respect to the passage of legislation designed to preserve State regulation of the insurance business.*

INSTRUCTIONS TO EXAMINERS

June 30, 1949

These instructions restate a previous ruling of the Commissioner of Insurance relating to interest on deposits in savings banks. Please be sure this ruling is followed in connection with the examination of insurance companies and the auditing of annual statements of insurance companies.

No credit is to be allowed in an insurance company's statement for *accrued* interest on deposits in savings banks.

If the due date is *prior to that as of which the statement is made* and interest has been credited by the bank but not entered on the company's books, such due interest may be allowed as a non-ledger asset, but no more.

The reason for this ruling is that interest on savings bank deposits is more in the nature of a dividend and is not guaranteed. Neither is the rate of interest fixed. If the deposit is withdrawn before the next interest due date no interest is paid.

Note: This ruling applies to all classes of companies covered in Parts I and II of this report.

July 6, 1945

SCHEDULE OF MINIMUM PAYMENTS ESTABLISHED BY THE COMMISSIONER OF INSURANCE UNDER THE PROVISIONS OF CHAPTER 188, ACTS OF 1945, "AN ACT RELATIVE TO INVESTMENTS BY DOMESTIC INSURANCE COMPANIES IN CERTAIN MORTGAGES ON REAL PROPERTY."

Pursuant to the provisions of Chapter 188, Acts of 1945, which amends paragraph (7) of Section 63 of Chapter 175 of the General Laws, and subject to the provisions of said Chapter, which became effective July 5, 1945, the following schedule of minimum payments is established which each insurance company shall require to be made annually on the principal of any loan on real property made in an amount in excess of 60% of the fair market value of the property:

SCHEDULE

Minimum Percentage of
the Principal Which Must be
Paid Off Annually

Commercial properties, office buildings and department stores constructed of brick or steel and concrete, or other fire-resisting material where land value is at least 40% of the total fair market value and the value of the buildings and improvements does not exceed 60% of the total fair market value 1%

Other commercial properties and other office buildings 2%

Industrial buildings if constructed of brick or steel and concrete or other fire-resisting material and at least 40% of the total fair market value is land value 2%

Industrial buildings if constructed of brick or steel and concrete or other fire-resisting material and at least 40% of the total fair market value is land value 2%

Other industrial buildings 3%

Apartments and hotels constructed of brick or steel and concrete or other fire-resisting material 2%

Residential properties, single or two-family houses 3%

On residential properties, however, with buildings less than five years old, mortgages may be taken providing for a regular fixed plan of amortization of the mortgage with the complete payment in a period not exceeding twenty-five years.

Farms — On principal of mortgage supported by land value 1%

On principal of mortgage supported by value of buildings and improvements 3%

NOTE: Each company must make a record of the proportion of each farm mortgage based on land value and the proportion based on value of buildings and improvements.

In making loans companies should take into account the after-life-time of the buildings and improvements and make sure that the rate of amortization will be faster than the rate of depreciation and obsolescence (as applied to total value of land and buildings).

The above amounts are minimum amounts and larger amortization payments should be obtained if they appear needed. It is expected that companies will exercise sound business judgment in the matter of amortization requirements when authorizing loans regulated by this Act. Reduction in principal of a mortgage below 60% of the fair market value is not to be deemed cause for discontinuance of amortization. The maximum loan authorized by the Act is 66⅔% of the fair market value.

EDMUND S. COGSWELL,
First Deputy and Acting Commissioner of Insurance

Each company is requested to send me an acknowledgment of receipt of above Schedule.

E. S. COGSWELL

Note: This ruling applies to all classes of companies covered in Parts I and II of this report.

August 20, 1945

*To All Fire, Marine, Casualty and Surety Companies
Transacting Business in the Commonwealth of Massachusetts:*

Chapter 384 of the Acts of 1945 becomes effective on January 1, 1946 and authorizes the extension of writing powers of fire, marine, casualty and surety companies in four different categories:

1. Fire, marine, surety and casualty companies which have \$1,000,000 surplus to policyholders are authorized to reinsure risks of all kinds wherever located, except policies of life and endowment insurance and contracts for the payment of annuities and pure endowments.

2. Fire, marine, surety and casualty companies which have a surplus to policyholders of not less than \$1,000,000 are authorized to insure risks of all kinds outside of the United States except life and endowment insurance and contracts for the payment of annuities and pure endowments.

3. Fire, marine or liability companies which have a surplus of not less than \$400,000 are authorized to write full-coverage policies on motor vehicles or aircraft.

4. Fire, marine, surety and casualty companies are authorized to insure personal property, other than merchandise, for all risk coverage by the issuance of a personal property floater policy.

Those company managements intending to take advantage of the underwriting powers authorized by this legislation should address Edmund S. Cogswell, First Deputy Commissioner of Insurance, 100 Nashua Street, Boston, setting forth the additional lines of insurance to be underwritten. If automobile casualty lines are to be written, the communication should be received in this office not later than September 15th, 1945.

The company should specify the lines of insurance presently being transacted, together with information concerning additional lines within the scope of the underwriting authority possessed; the amount of surplus to policyholders according to the latest statement; and reference to the pertinent sections of the charter and by-laws showing the authority for contemplated operations or the laws of the domiciliary state which authorized the company to engage in kinds of insurance set forth in Chapter 384, Acts of 1945, Commonwealth of Massachusetts.

To expedite matters, we would suggest that each foreign company forward a statement from the Insurance Commissioner of its home state advising that the transaction of the additional lines of insurance authorized by Chapter 384 of the Acts of 1945 will not conflict with the laws of the home state, the charter of the by-laws of the company.

While it may not be a statutory or legal requirement in every case, the Department believes the better procedure would be for each company, mutual or stock, to obtain a vote of authorization from its policyholders or stockholders respectively, as the case may be, to take on these additional lines.

Fire and marine companies which propose to take on compulsory automobile insurance are notified that they should join the Massachusetts Automobile Rating and Accident Prevention Bureau, 89 Broad Street, Boston, Mass. Further information regarding Bureau membership may be obtained upon application to R. E. Hatfield, Manager. Under the Massachusetts Motor Vehicle Liability Insurance Law, there are special types of data which must be filed for rate-making purposes with the Bureau. Further details regarding the Statistical Plan will be forwarded to these companies at a later date.

Each policy providing compulsory automobile liability insurance coverage must conform to certain statutory provisions and policies must be filed with the Insurance Department for approval. In the past, the Bureau has submitted a form of policy covering compulsory automobile liability insurance, extra-territorial insurance, guest coverage insurance, and property damage insurance. It is expected that a satisfactory policy form will be devised later, after a conference with interested insurance companies and Bureau officials, so that fire and theft coverage and collision coverage, if desired, may be issued in one contract as well as liability and property damage coverage.

Because of the provisions of General Laws, Chapter 175, Section 22A, all personal property floater forms must be submitted to this Department for approval before they can be used in this Commonwealth. These forms should be filed promptly, and in any event not later than thirty days prior to the date the company expects to use them.

Any casualty companies now authorized to issue compulsory automobile liability insurance policies which desire to add fire and theft coverage will be required to file such policy forms with this Department for approval as the statute provides. After the form has been agreed upon by the Bureau Officials and representatives of the Insurance Department, companies will receive the Basic Form from the Bureau.

In closing, we urge prompt action on the part of any company management that desires to transact this form of business on the effective date, January 1, 1946.

CHARLES F. J. HARRINGTON,
Commissioner of Insurance

Copy of Chapter 384 of the Acts of 1945 was enclosed with this ruling.

September 6, 1945

To All Domestic Insurance Companies:

In Re: EXTENSION OF AUTHORITY OF DOMESTIC INSURANCE COMPANIES TO MAKE REAL ESTATE LOANS INSURED BY THE FEDERAL HOUSING ADMINISTRATOR.

Pursuant to the authority conferred upon the Commissioner of Insurance by Chapter 359 of the Acts of 1939, permission is hereby granted to all domestic insurance companies to make such loans secured by mortgages on real property, within or without the Commonwealth, as are insured by the Federal Housing Administrator, under the provisions of the National Housing Act, or of any act or amendment thereof or in addition thereto, and to obtain such insurance, for a period of one year from September 6, 1945.

Very truly yours,

CHARLES F. J. HARRINGTON,
Commissioner of Insurance

Note: This ruling applies to all classes of companies covered in Parts I and II of this report.

September 11, 1945

*To the Commissioners, Superintendents and
Directors of Insurance in the United States:*

The enclosed circular letter has been directed to all companies transacting business in this Commonwealth. This copy is being forwarded to you for your information.

Chapter 384 of the Acts of 1945, referred to in the letter, follows the report of the Industry Committee on Multiple Line Coverage which was received and approved by the National Association of Insurance Commissioners.

As you undoubtedly know, several States already permit multiple line underwriting by fire and casualty companies and four States, including Massachusetts, have amended their laws to permit multiple line underwriting in response to the public demand.

We earnestly solicit your cooperation in the administration of this law insofar as it affects companies domiciled in your State.

Very truly yours,

CHARLES F. J. HARRINGTON,
Commissioner of Insurance

NOTE: *The Commissioner's ruling of August 20, 1945, directed to all Fire, Marine, Casualty and Surety Companies transacting business in the Commonwealth of Massachusetts was enclosed with the foregoing letter in the interest of comity between States and for the additional reason that the cooperation of Commissioners of other States is necessary in the administration of this law insofar as it affects companies domiciled in other States.*

September 20, 1945

*To the Commissioners, Superintendents and
Directors of Insurance in the United States:*

My attention has been called to the fact that a number of the States have appointed committees or commissions to study the matter of revising their insurance laws and that in other States the Commissioners of Insurance will undoubtedly consider recommendations to be made to the next session of the State Legislatures.

In view of the extensive work now being undertaken by the Industry and the Committee on Federal Legislation, it occurs to us that you and other interested persons in your State might profitably consider and receive the benefit of the work being undertaken by the All-Industry Committee and the Commissioners' Committee on Federal Legislation.

In May of this year, the Committee on Federal Legislation met in New York with representatives of all branches of the industry and accepted a suggestion that a committee be formed representative of all branches of the insurance industry and that this committee immediately proceed to explore the problems

arising from the enactment of Public Law 15 and the application to the insurance business of the Robinson-Patman Act, Clayton Act and the Federal Trade Commission Act.

The All-Industry Committee is composed of some of the best legal minds and some of the most experienced insurance executives in the insurance business. That Committee held meetings in August, at which the problems flowing from the application to the insurance business of the foregoing laws was explored in a broad, general way and sub-committees appointed to consider the effect of each law and report back at a later meeting. Your Committee on Federal Legislation expects to receive a report from the Industry Committee on October 15, following which the Commissioners' Committee on Federal Legislation will hold a meeting at a date to be announced. It is expected that the reports of the Industry Committee and the Commissioners' Committee on Federal Legislation will be available early in November.

We hope you will inform the interested persons in your State of the contents of this communication and if you deem it advisable, suggest the consideration of reports which we hope to place in your hands before any final decision is reached in your State dealing with the revision of State laws.

Very truly yours,

CHARLES F. J. HARRINGTON, *Chairman*
Committee on Federal Legislation,
National Association of Insurance
Commissioners.

NOTE: This letter was sent to the supervising insurance officer of each state by vote of the Committee on Federal Legislation of the National Association of Insurance Commissioners. It is called to the attention of your Honorable Body in order that you may be apprised of the efforts being exerted to deal comprehensively with the problems flowing from the South-Eastern Underwriters' decision and the enactment of United States Public Law 15.

October 25, 1945

To All Stock Companies Transacting Business in Massachusetts:

We are forwarding herewith a copy of Chapter 609 of the Acts of 1945 which incorporates into General Laws, Chapter 175, Section 50 definite authority by which any domestic stock insurance company may by a proper vote make provision for the transaction of business on a participating plan and which prohibits any foreign stock insurance company to issue participating policies in Massachusetts unless authorized to do so by its charter.

Companies which issue participating policies are required to make reasonable classifications of such contracts in accordance with the classes of insurance set forth in the provisions of the Clauses of Section 47 of General Laws, Chapter 175. Each such company should notify this Department at once of the dividend classifications it is presently using in Massachusetts including information relative to the present rate of dividends.

Foreign companies which are issuing participating policies should, if necessary, take immediate steps to have their charters amended in order to comply with this Statute. Notification of any such change should be forwarded immediately to First Deputy Commissioner Edmund S. Cogswell.

Very truly yours,

CHARLES F. J. HARRINGTON,
Commissioner of Insurance

A copy of Chapter 609, of the Acts of 1945, accompanied this communication.

NOTE: This ruling applies to all classes of companies covered in Parts I and II of this report.

December 28, 1945

*To Fire Companies Authorized to
Transact Business in Massachusetts:*

Re: Annual Statements

Enclosed are two statement blanks furnished in accordance with Section 15, Chapter 175 of the General Laws of this Commonwealth, Section 25 of said Chapter as amended by Chapter 159 of the Acts of 1945 provides that your annual statement, to be filed with the Commissioner of Insurance, 100 Nashua Street, Boston, Massachusetts, on or before March 1, 1946, must be on this blank or on an alternate form acceptable to him. An alternate form will be acceptable to this Department provided it is modified to contain all special requirements of Massachusetts and further provided that all phraseology including the column headings and footnotes is identical with that shown on the accompanying blanks.

Special Requirements for Massachusetts

These special requirements as they appear in the fire blanks are as follows:

Stock Fire Blanks

Unauthorized reinsurance: Page 5, lines 32A and 32B.

Unauthorized reinsurance: Page 11, lines 70A and 70B.

Computation of Unearned Premium Reserve for Ocean Marine: Footnote on page 7.

Reinsurance contracts: Page 8, Interrogatory 7A.

Underwriting and Investment Exhibit: Page 11, line 81.

Amortized values required: Schedule D, part 1, special footnote

Mutual Fire Blanks

Unauthorized reinsurance: Page 5, lines 29A and 29B.

Unauthorized reinsurance: Page 11, lines 68A and 68B.

Exhibit of Risks: Page 6, lines 1-13, Columns 1-7.

Page 7, Column 3, lines 1-18.

Computation of Unearned Premium Reserve for Ocean Marine: Footnote on page 7.

Reinsurance contracts: Page 8, Interrogatory 14A.

Underwriting and Investment Exhibit: Page 11, line 79.

Amortized values required: Schedule D, Part 1, special footnote.

Statements on *mutilated blanks* are not acceptable. If the enclosed blank is used for the statement, it must not be cut in order to combine it with printed schedules. Such statements should be securely attached to the appropriate pages or bound separately.

Mutual companies authorized to transact both assessable and non-assessable business are required to file supplementary schedules showing premiums written, losses paid and unpaid losses, separated as to assessable and non-assessable. Such exhibits should be attached to pages 2, 3 and 5.

As long as any losses on assessable policies are outstanding on the company's records, supplementary schedules showing this separation will be required.

Modifications

In view of conditions resulting from the war emergency, the following modifications of the requirements of the annual statement blank will be accepted for the business of the year 1945:

1. On Schedule D, Part 3, the description of the redeemable options may be omitted.
2. On Schedule B — Mortgage Loans — show individually. Mortgages which exceed \$100,000 or 1% of admitted assets December 31, preceding year, whichever is smaller. All others may be summarized.
3. On Schedule N — Bank Balances — show only balances at December 31.
4. On Schedule T — Exhibit of Premiums Written — show reinsurance assumed and ceded without separation as to authorized and unauthorized companies.

5. On Schedule L — Salaries, etc. — the data may be omitted.

Any company desiring to report on the annual statement blanks as printed, without taking advantage of these modifications, or any part thereof, may do so.

Canadian and Other Foreign Assets

A supplementary statement should be furnished of all assets located in Canada or payable in Canadian funds and of all liabilities payable out of such assets which are reported in the annual statement. The excess of Canadian assets over Canadian liabilities, if any, shall be discounted at 9.50% and the discount shall be deducted under "Assets Not Admitted." Similar information should be furnished regarding assets and liabilities in any other foreign country.

Amortization of Bonds

Bonds are to be deemed eligible for amortization in accordance with the resolutions adopted by the National Association of Insurance Commissioners in June, 1945, amended in December, 1945 and set forth in the Association Book of Security Values published by the National Association of Insurance Commissioners.

Accrued Interest

(a) *Mortgage Loans:* All interest due and accrued on mortgage loans should be reported under non-ledger assets. Credit will be allowed for combined due and accrued interest up to one year on only those mortgages on which no legal steps have been taken to foreclose, or upon which no foreclosure is contemplated, or on which the combined due and accrued interest is less than three years. The balance should be reported under "Deduct Assets Not Admitted" with the description "Interest Due and Accrued on Mortgage Loans Not Allowed."

(b) *Bonds:* No credit should be taken for accrued interest on adjustment or income bonds, or on bonds valued at a "flat" market rate. On bonds with contingent interest, the amount should be computed at the guaranteed rate only.

Insured Mortgages

Credit will be allowed for amortized value on a five-year basis for the premium paid on a mortgage insured under the provisions of the National Housing Act.

Penalty

The penalty provided by law for filing of an annual statement after March 1st is \$100 per day. To avoid this penalty, each company should file its annual statement in advance of March 1st.

Reinsurance

If credit is taken for reinsurance in companies qualifying under subdivision (b), Section 20, Chapter 175 of the General Laws, a financial statement of each such company, made upon the Convention form of blank, together with all schedules (including a schedule of reinsurance) must be filed with the Massachusetts Insurance Department on or before March 1, 1946, with a statutory fee of \$20 for auditing.

When credit is taken on Schedules E and F for reinsurance recoverable and for reinsurance in force with pools or associations, a list of the member companies of such association as of December 31, 1945, together with the percentages of their participation, should be filed with the annual statement.

Very truly yours,

CHARLES F. J. HARRINGTON,
Commissioner of Insurance

COMPANIES AUTHORIZED TO TRANSACT BUSINESS IN THIS COMMONWEALTH DURING 1945

The following company of the classes covered by this volume was authorized to transact business in this Commonwealth during the year 1945:

Corporate Name	Location	Capital	Date of Authority
American Aviation & General Insurance Company	Reading, Pa.	\$500,000	October 18, 1945

COMPANIES WITHDRAWN FROM THE COMMONWEALTH DURING 1945

The following company of the classes included in this volume ceased to have authority to write business in this Commonwealth during 1945:

Corporate Name	Location	Remarks
Western Millers Mutual Fire Insurance Company	Kansas City, Mo.	Ceased June 30, 1945

CHANGES IN CORPORATE NAME DURING THE YEAR 1945

The corporate name of the Mill Owners Mutual Fire Insurance Company of Iowa was changed to Mill Owners Mutual Fire Insurance Company on January 17, 1945.

INSURANCE COVERING FIRE AND ALLIED LINES DURING 1945 MASSACHUSETTS BUSINESS FOR THE TEN YEARS BEGINNING WITH 1936

Years	Premiums Written	Losses Paid	Loss Ratio (per cent)
1936	\$25,431,264 ¹	\$11,113,176	43.70
1937	26,149,823 ¹	11,184,290	42.77
1938	24,279,953 ¹	14,245,984	58.67
1939	24,053,976	14,320,861	59.34
1940	25,815,524	14,299,268	55.39
1941	28,849,418	16,112,916	55.85
1942	30,168,280	17,046,539	56.50
1943	29,547,073	13,958,696	47.13
1944	32,423,342	20,221,302	62.37
1945	33,430,926	18,940,233	56.65

¹ These amounts have been reduced by the estimated dividends payable in the mutual premiums. For 1939 and subsequent years the amount of dividends paid during the year has been deducted.

The foregoing figures show the combined result of all companies writing fire insurance and allied lines operating in the Commonwealth during the past ten years. It should be pointed out that the results of the same companies are not included in each year as some companies have withdrawn and others have been admitted to transact business. For the purpose of this Exhibit, however, the information shows with sufficient accuracy the growth of fire insurance premiums and the fluctuation in losses paid of the latest ten-year period. It would be preferable to display this information on a premiums earned and losses incurred basis, but the net result in the fire insurance business on that basis is very slightly different; hence, the figures included herein are satisfactory for the purpose intended.

EXHIBIT OF ASSETS AND LIABILITIES OF DOMESTIC COMPANIES IN TEN YEAR PERIOD

Fire Companies

Year	Number of Companies	Net Premiums Written	Admitted Assets	Liabilities
1936	48	\$44,467,874	\$140,276,289	\$48,733,814
1937	47	47,585,442	136,723,110	52,272,976
1938	48	45,114,043	141,832,465	53,962,106
1939	47	46,628,251	147,640,154	54,889,334
1940	47	51,496,283	152,351,466	59,399,027
1941	46	59,196,431	159,309,039	67,838,249
1942	42	66,745,067	169,023,420	76,968,645
1943	42	67,622,766	184,108,217	82,269,280
1944	41	71,797,779	195,178,450	89,147,646
1945	41	79,014,212	214,183,830	117,577,327

It is interesting to note that while the number of insurance companies transacting fire insurance business in this Commonwealth has decreased in the past ten years, the net premiums written have substantially increased. There has also been an increase in admitted assets and liabilities. Some part of this increase is due to war conditions and inflation resulting from increased earning capacity of our citizens, coupled with the increase in the cost of raw materials due in large measure to our all-out prosecution of the Great War.

COMPARISON OF MASSACHUSETTS RESULTS WITH COUNTRYWIDE RESULTS IN FIRE INSURANCE UNDERWRITING

Massachusetts

Year	Premiums Written	Losses Paid	Loss Ratio %
1941	\$29,524,908	\$15,816,952	53.57
1942	31,225,532	16,658,818	53.35
1943	31,560,288	13,373,940	42.38
1944	33,798,971	15,564,537	46.05
1945	34,737,947	14,910,891	42.92

Countrywide figures have fluctuated as shown by the following exhibit:

Year	Premiums Written	Losses Paid	Loss Ratio %
1941	\$555,455,418	\$203,047,864	36.56
1942	592,674,282	206,404,642	34.83
1943	629,913,844	248,704,657	39.48
1944	663,423,221	284,377,874	42.87
1945	713,313,009	309,944,056	43.45

In previous reports, I have called attention to the fact that the difference in underwriting results in the fire insurance business in Massachusetts as compared with the nationwide figures, warrants careful consideration by the insurance carriers. This Department has no responsibility or authority for the computation of fire insurance rates, at least to the time of this Report. It appears, however, that in the not too distant future, the Legislature will be requested by the insurance carriers to enact legislation which will confer both authority and responsibility on the Insurance Commissioner to make certain that fire insurance rates charged the residents of this Commonwealth meet certain legislative standards. When that time arrives, it may be necessary to seek some explanation of the foregoing results.

CONCLUSION

The companies subject to report in Part I have cooperated with the Department in the administration of the insurance laws in a manner which warrants the appreciation of all concerned with the administration of these laws.

Respectfully submitted

CHARLES F. J. HARRINGTON,
Commissioner of Insurance

APPENDIX A

INTERIM REPORT OF THE SUB-COMMITTEE ON FEDERAL
LEGISLATION OF THE EXECUTIVE COMMITTEE OF THE
NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS

On March 9, 1945, S. 340, the so-called insurance bill, became law when President Roosevelt affixed his signature thereto. A copy of the new law is attached hereto and marked Exhibit "A."

Following the preparation of the Commissioners' legislative proposal with its attached memorandum of explanation in November, 1944, Commissioner Johnson, by direction of the December, 1944 meeting of the National Association of Insurance Commissioners proceeded to Washington accompanied by Commissioner Harrington, Chairman of the Sub-Committee on Federal Legislation. A series of conferences were held with members of Congress, the Attorney General and representatives of the insurance business.

At that time the 78th Congress was drawing to a close. It was the consensus of opinion that immediate legislative relief was required because existing state regulatory and taxing statutes were being questioned and in some respects challenged. Believing that unanimity of opinion would produce legislation in the 78th Congress, Commissioners Johnson and Harrington, acting for the Commissioners, consented to a compromise draft of the Commissioners' legislative proposal, a copy of which compromise is attached hereto and marked "Exhibit B." This measure was introduced on the last day of the session by Senators McCarran and Ferguson. On the same day Senators O'Mahoney and Hatch introduced another bill, a copy of which is attached hereto and marked Exhibit "C." Neither of these measures was acted upon before the termination of the 78th Congress. Commissioners Johnson and Harrington in a letter to Senator O'Mahoney dated December 16, 1944 made plain that the concession was made by the Commissioners for the sole purpose of obtaining legislation during the 78th Congress (see Exhibit "D" attached hereto).

When the 79th Congress convened Commissioners Johnson and Harrington returned to Washington. As a result of further conferences and because of the press of time a new compromise measure was drafted which likewise departed in some respects from the text of the original Commissioners' proposal. It was transmitted by the Commissioners to the Honorable Pat McCarran, Chairman of the Judiciary Committee of the Senate. A copy of the letter of transmittal signed by the interested parties on January 12, 1945 is attached hereto and marked Exhibit "E" and the proposed bill is also attached hereto, marked Exhibit "F." Although their names do not appear on the letter of transmittal the National Fraternal Congress and the Accident and Health Underwriters Conference also endorsed the bill in telegrams subsequently sent to Chairman McCarran. This bill was introduced by Senators McCarran and Ferguson and became the original S. 340. It was amended in committee and reported favorably by the committee on January 24, 1945 (see Senate Report No. 20). The bill was thereafter amended on the floor (see Congressional Record of January 25, 1945).

Representative Walter introduced a companion measure in the House, known as H. R. 1973. This bill was likewise amended in the House Judiciary Committee and was favorably reported (see House Report No. 68). On motion of Representative Walter, S. 340, which had been referred by the Senate to the House for concurrence, was amended by striking out all of the bill following the enacting clause and substituting the subject matter of H. R. 1973 in lieu thereof (see Congressional Record of February 14, 1945).

Due to the difference in text the bills were referred to a conference committee composed of Senators McCarran, Ferguson and O'Mahoney and Representatives Summers, Walter and Hancock. The conference committee report is dated February 22, 1945 and will be found as House Report No. 213. The conference committee report was adopted by both Houses without debate in the House and with debate in the Senate (see Congressional Records of February 26 and 27, 1945).

COMPARISON OF THE VARIOUS BILLS

A comparison of the bill as it was finally enacted with the text of the original Commissioner's proposal of November, 1944, as well as reference to the Congress-

sional debates, establishes clearly that the Commissioners' draft was used as a foundation for the bill. In drafting the bill Congress used almost verbatim those portions of the Commissioners' proposal relating to the doctrine of Congressional silence and the affirmative expression of the Congressional will in so far as they affect state regulation and taxation. That phase of the Commissioners' proposal constituted one of its major aspects and the incorporation of it in the bill as it was finally adopted is most gratifying.

Likewise, the final draft specifically provides, as did the Commissioners' original text, that the National Labor Relations Act and the Fair Labor Standards Act shall apply to the insurance business.

Those portions of the bill covering the territories to which it is applicable and the separability clause are identical with the text of the Commissioners' original proposal.

In the Commissioners' deliberations preceding the drafting of the Commissioners' legislative proposal and throughout all conferences preceding the enactment of the bill the Commissioners were insistent that even though a moratorium on the application of the anti-trust laws were to be granted, boycotting, coercion and intimidation were to be barred forthwith. Provision was made to that effect in the Commissioners' original text and is embodied in the bill as it finally passed.

The Commissioners' original proposals as to a moratorium on the Sherman and Clayton Acts were also embodied in the law as it was finally enacted with a variation as to the effective date.

So much for the respects in which the Commissioners' proposals were generally adopted. We turn now to the respects in which the final product differed from the proposals originally advanced by the Commissioners.

The Commissioners' draft made no reference to the so-called Merchant Marine Act of 1920. Congress provided that the bill should not affect that law.

The Commissioners asked for complete exemption from the Federal Trade Commission Act. The final bill provides that after the expiration of the moratorium the Federal Trade Commission Act shall be applicable to the business of insurance "to the extent that such business is not regulated by state law." The expression in quotation marks will be the subject of further comment elsewhere in this report.

The Commissioners also asked for outright exemption from the Robinson-Patman Act. Congress has provided specifically that the Robinson-Patman Act shall not apply to the insurance business up to January 1, 1948. We are uncertain as to the applicability of that act to the business of insurance after that date for the following reason. Part of the Robinson-Patman Act (15 U.S.C.A.13-13a) is a part of the Clayton Act (15 U.S.C.A.12-27). Section 2-b of the bill provides that after January 1, 1948 the Clayton Act shall be applicable to the business of insurance "to the extent that such business is not regulated by state law." Section 3-a of the statute provides that until January 1, 1948 the Robinson-Patman Act shall not apply to the business of insurance or to acts in conduct thereof. The specific mention of the Robinson-Patman Act in Section 3-a suggests, or at least it can be so argued, that Congress intended that after January 1, 1948 that act should apply to the insurance business without limitation of any kind. On the contrary, the provision in Section 2-b that the Clayton Act, of which part of the Robinson-Patman Act is a part, shall be applicable to the business of insurance "to the extent that such business is not regulated by state law," suggests that after January 1, 1948 the Robinson-Patman Act, or at least part of it, shall be in the same category as the Federal Trade Commission Act.

This brings us to a consideration of the Sherman and Clayton Acts. In the Commissioners' original text it was provided that there should be a moratorium on the Sherman and Clayton Acts until July 1, 1948. After that date the Sherman Act was to apply to the insurance business but certain enumerated cooperative efforts, set forth in Section 4-b of the Commissioners' proposal, were to be exempted therefrom. The first exemption applied to concerted action in the field of rate making and contemplated state supervision. In the bill finally adopted by Congress the specific activities enumerated in the Commissioners' proposal were omitted and in lieu thereof Congress provided that the Sherman Act, the Clayton Act and the Federal Trade Commission Act should all be applicable to the business of insurance "to the extent that such business is not regulated by the state law." In short,

a general provision was substituted for the specific language employed by the Commissioners.

The exact meaning of the expression, "to the extent that such business is not regulated by state law," has been the subject of discussion in the Sub-Committee. The debate in the United States Senate following the report of the conference committee indicated differences of opinion as to the effect of the language quoted. Some Senators felt that this language gave those states which enacted legislation on the subject the right to modify and even eliminate the applicability of the Sherman and Clayton and Federal Trade Commission Acts to the business of insurance depending upon the extent of the state legislation enacted. Indeed, it was suggested that this language permitted the states to adopt ineffective legislation or, as one Senator puts it, "to go through the form of regulation merely in order to put insurance companies within that state on an island of safety from Congressional regulation." It was argued that the states would not abuse the privilege thus conferred upon them and that if by any chance they did, Congress could immediately pass additional corrective legislation. On the contrary, it was asserted that the legislation did not contemplate ineffective state regulation. This reasoning was based upon the premise that the word "regulated" as used in the quoted language had a very definite meaning and contemplated not mere permissive action uncontrolled by state authorities but affirmative, effective regulation of the type described by the President in his letter of January 2, 1945 to Senator Radcliffe and emphasized in the President's memorandum made public at the time he signed the bill.

The decision of the United States Supreme Court in the South-Eastern Underwriters case confronted Congress, the State Legislatures and the Insurance Commissioners with a problem — the task of preserving state regulation and at the same time not emasculating the federal anti-trust laws. The final product does not go as far in some respects as the Commissioners had hoped and goes farther in others, a situation which frequently occurs when compromises must be made. It is apparent, however, that a sincere effort was made to reconcile conflicting views as to the best manner of regulating the insurance business in the public interest.

In so far as this Sub-Committee is concerned our position is clear. We believe in state regulation and this bill recognizes that principle. Under this bill effective state regulation is required if state regulation is to be preserved. The bill presents a challenge to the states. We believe the states can meet that challenge. We restate the fundamental principle to which we have consistently adhered, namely, that the states are under an obligation to provide effective state regulation. Those states whose statutes are deficient in that respect should immediately address themselves to the task of securing appropriate legislation designed to meet this new development.

Respectfully submitted,

CHARLES F. J. HARRINGTON, *Chairman*
NEWELL R. JOHNSON
JAMES M. McCORMACK
EDWARD L. SCHEUFLER
ROBERT E. DINEEN
J. EDWIN LARSON

New York, N. Y.
March 10, 1945

EXHIBIT "A"
S. 340

SEVENTY-NINTH CONGRESS OF THE UNITED STATES OF AMERICA;
AT THE FIRST SESSION

Begun and held at the City of Washington on Wednesday, the third day of January,
one thousand nine hundred and forty-five

AN ACT

To express the intent of the Congress with reference to the
regulation of the business of insurance.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Congress hereby declares that the continued regulation and taxation by the several States of the business of insurance is in the public interest, and that silence on the part of the Congress shall not be construed to impose any barrier to the regulation or taxation of such business by the several States.

Sec. 2. (a) The business of insurance, and every person engaged therein, shall be subject to the laws of the several States which relate to the regulation or taxation of such business.

(b) No Act of Congress shall be construed to invalidate, impair, or supersede any law enacted by any State for the purpose of regulating the business of insurance, or which imposes a fee or tax upon such business, unless such Act specifically relates to the business of insurance: Provided, That after January 1, 1948, the Act of July 2, 1890, as amended, known as the Sherman Act, and the Act of October 15, 1914, as amended, known as the Clayton Act, and the Act of September 26, 1914, known as the Federal Trade Commission Act, as amended, shall be applicable to the business of insurance to the extent that such business is not regulated by State law.

Sec. 3. (a) Until January 1, 1948, the Act of July 2, 1890, as amended, known as the Sherman Act, and the Act of October 15, 1914, as amended, known as the Clayton Act, and the Act of September 26, 1914, known as the Federal Trade Commission Act, as amended, and the Act of June 19, 1936, known as the Robinson-Patman Anti-discrimination Act, shall not apply to the business of insurance or to acts in the conduct thereof.

(b) Nothing contained in this Act shall render the said Sherman Act inapplicable to any agreement to boycott, coerce, or intimidate, or act of boycott, coercion, or intimidation.

Sec. 4. Nothing contained in this Act shall be construed to affect in any manner the application to the business of insurance of the Act of July 5, 1935, as amended, known as the National Labor Relations Act, or the Act of June 25, 1938, as amended, known as the Fair Labor Standards Act of 1938, or the Act of June 5, 1920, known as the Merchant Marine Act, 1920.

Sec. 5. As used in this Act, the term "State" includes the several States, Alaska, Hawaii, Puerto Rico, and the District of Columbia.

Sec. 6. If any provision of this Act, or the application of such provision to any person or circumstances, shall be held invalid, the remainder of the Act, and the application of such provision to persons or circumstances other than those as to which it is held invalid, shall not be affected.

EXHIBIT "B"

78th Congress
2d Session

H. R. 3270

IN THE SENATE OF THE UNITED STATES

December 18 (legislative day, November 21), 1944

Ordered to lie on the table and to be printed

AMENDMENT

(IN THE NATURE OF A SUBSTITUTE)

Intended to be proposed by Mr. McCarran and Mr. Ferguson to the bill (H. R. 3270) to affirm the intent of the Congress that the regulation of the business of insurance remain within the control of the several States and that the Acts of July 2, 1890, and October 15, 1914, as amended, be not applicable to that business, viz: Strike out all after the enacting clause and insert in lieu thereof the following:

That the Congress hereby declares that the continued regulation and taxation by the several States of the business of insurance is in the public interest, and that silence on the part of the Congress shall not be construed to impose any barrier to the regulation or taxation of such business by the several States.

Sec. 2. (a) The business of insurance, and every person engaged therein, shall be subject to the laws of the several States which relate to the regulation or taxation of such business.

(b) No Act of Congress shall be construed to invalidate, impair, or supersede any law enacted by any State for the purpose of regulating the business of insurance, or which imposes a fee or tax upon such business, unless such Act specifically so provides.

Sec. 3. Nothing contained in the Federal Trade Commission Act, as amended, or the Act of June 19, 1936 known as the Robinson-Patman Anti-Discrimination Act, shall apply to the business of insurance or to acts in the conduct of that business.

Sec. 4. (a) Until July 1, 1948, the Act of July 2, 1890, as amended, known as the Sherman Act, and the Act of October 15, 1914, as amended, known as the Clayton Act, shall not apply to the business of insurance, or to acts in the conduct of such business.

(b) Nothing contained in this section shall render the said Sherman Act inapplicable to any act of boycott, coercion, or intimidation.

Sec. 5. Nothing contained in this Act shall be construed to affect in any manner the application of the business of insurance of the National Labor Relations Act, as amended, or the Fair Labor Standards Act of 1938, as amended.

Sec. 6. As used in this Act, the term "State" includes the several States, Alaska, Hawaii, Puerto Rico, and the District of Columbia.

Sec. 7. If any provision of this Act, or the application of such provision to any person or circumstances, shall be held invalid, the remainder of the Act, and the application of such provision to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby.

"EXHIBIT C"

78th Congress
2d Session

H. R. 3270

IN THE SENATE OF THE UNITED STATES

December 18 (legislative day, November 21), 1944

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. O'Mahoney (for himself and Mr. Hatch) to the bill (H. R. 3270) to affirm the intent of the Congress that the regulation of the business of insurance remain within the control of the several States and that the Acts of July 2, 1890, and October 15, 1914, as amended, be not applicable to that business, viz: Strike out all after the enacting clause and insert in lieu thereof the following:

That the Congress hereby declares that the continued regulation and taxation by the several States of the business of insurance is in the public interest, and that silence on the part of Congress shall not be construed to impose any barrier to the regulation or taxation of such business by the several States.

Sec. 2. (a) The business of insurance, and every person engaged therein, shall be subject to the laws of the several States, which relate to the regulation or taxation of such business.

(b) No Act of Congress shall be construed to invalidate, impair, or supersede any law enacted by any State for the purpose of regulating the business of insurance, or which imposes a fee or tax upon such business, unless such Act specifically so provides.

Sec. 3. Nothing contained in the Federal Trade Commission Act, as amended, or the Act of June 19, 1936, known as the Robinson-Patman Anti-Discrimination Act, shall apply to the business of insurance or to acts in the conduct of that business.

Sec. 4. (a) For the purposes of enabling the several States to adjust State laws to the provisions of this Act, of the Constitution of the United States, of the Act of July 2, 1890, as amended, known as the Sherman Act, and the Act of October 15, 1914, known as the Clayton Act, until March 1, 1946, the said Sherman and Clayton Acts shall not apply to the business of insurance, or to acts in the conduct of such business.

(b) Nothing contained in this section shall render the said Sherman Act applicable to any act of boycott, coercion, or intimidation.

Sec. 5. Nothing contained in this Act shall be construed to affect in any manner the application to the business of insurance of the National Labor Relations Act, as amended, or the Fair Labor Standards Act of 1938, as amended.

Sec. 6. As used in this Act, the term "State" includes the several States, Alaska, Hawaii, Puerto Rico, and the District of Columbia.

Sec. 7. If any provision of this Act, or the application of such provision to any person or circumstances, shall be held invalid, the remainder of the Act, and the application of such provision to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby.

EXHIBIT "D"

NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS

Washington, D. C.
December 16, 1944

The Honorable Joseph C. O'Mahoney
232 Senate Office Bldg.
Washington, D. C.

My dear Senator:

Following our conversation and at your request, we are writing this letter to indicate the position of the National Association of Insurance Commissioners regarding federal insurance legislation.

In doing so, we wish to express the appreciation of the N.A.I.C. for the time you and other Senators have given us and your most cooperative effort and courtesy.

We hoped, of course, to see Congress adopt the program submitted by the N.A.I.C. which was overwhelmingly adopted by the insurance commissioners in New York December 4, 1944, and subscribed to by the major portion of the insurance industry.

Later, reliable information indicated that unless the entire insurance industry was in complete accord with this program, no legislation could be passed at this session of Congress. Because of the dire necessity for legislation at this session and to obtain complete unanimity, we consented to modification of our program. Our consent to the changes suggested was based on representation made that controversy would be avoided and that there would be concurrence on the part of Congress and the Department of Justice.

It was later determined that our program as modified was not acceptable to you and others vitally interested. Again, in an attempt to obtain complete accord with all interested parties, the enclosed text of proposed legislation, which we had reason to believe was acceptable to parties that could not agree to the modified commissioners' program, was submitted to the insurance industry for consideration. Unfortunately, we could not obtain complete accord of the business, inasmuch as the changes were not acceptable to some.

For the sole purpose of obtaining insurance legislation during this session, which we feel is most essential in the public interest, we urge passage of an Act to conform with the enclosed proposed text, amended if possible, to provide a longer moratorium.

It is our understanding that negotiations within the insurance industry are still

in progress to produce unanimous support for the enclosed proposed text, and have assurance that at this time the major portion of the industry is in complete accord.

Respectfully,

NATIONAL ASSOCIATION OF
INSURANCE COMMISSIONERS
NEWELL R. JOHNSON, *President*
CHARLES F. J. HARRINGTON, *Chairman*
N.A.I.C. Federal Legislation Committee

cc: Hon. Pat McCarran
Hon. Lister Hill
Hon. Alben Barkeley
Hon. Francis Biddle
Hon. Wallace A. White, Jr.
Hon. Kenneth Wherry
Hon. Sinclair Weeks
Hon. Homer Ferguson
Hon. Joseph Ball

EXHIBIT "E"

Washington, D. C.
January 12, 1945

Honorable Pat McCarran, *Chairman*
Committee on the Judiciary of the Senate
The Capitol
Washington, D. C.

Dear Senator:

There is submitted herewith a form of bill, which the undersigned respectfully request be favorably considered and reported by the Committee on the Judiciary of the Senate.

Honorable Newell Johnson, President of the National Association of Insurance Commissioners, and Honorable Charles F. J. Harrington, Chairman of the Subcommittee on Federal Legislation of such Association, have been requested by the undersigned to present this letter and legislative proposal and are authorized to speak on our behalf with respect thereto.

Respectfully submitted,

AMERICAN LIFE CONVENTION

By ROBERT L. HOGG

ROBERT L. HOGG

AMERICAN MUTUAL ALLIANCE

By A. V. GRUHN

A. V. GRUHN, *General Manager*

ASSOCIATION OF CASUALTY AND SURETY
EXECUTIVES

By RAY MURPHY

RAY MURPHY, *General Counsel*

INLAND MARINE UNDERWRITERS ASSOCIATION

By J. V. HERD

J. V. HERD

NATIONAL ASSOCIATION OF INSURANCE AGENTS

By W. RAY THOMAS

W. RAY THOMAS, *President*

NATIONAL ASSOCIATION OF MUTUAL INS. AGENTS

By PHILIP L. BALDWIN

PHILIP L. BALDWIN, *Exec. Secretary*

EDWARD L. WILLIAMS

EDWARD L. WILLIAMS, on behalf of
NATIONAL BOARD OF FIRE UNDERWRITERS,
INSURANCE EXECUTIVES ASSOCIATION

NATIONAL ASSOCIATION OF INSURANCE
BROKERS, INC.

By HARRY E. MOORE per WRT

HARRY E. MOORE

THE NATIONAL ASSOCIATION OF CASUALTY
AND SURETY AGENTS

By JOHN E. O'NEIL per WRT

JOHN E. O'NEIL

EXHIBIT "F"

IN THE SENATE OF THE UNITED STATES

A BILL

TO EXPRESS THE INTENT OF THE CONGRESS WITH REFERENCE TO THE REGULATION
OF THE BUSINESS OF INSURANCE.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Congress hereby declares that the continued regulation and taxation by the several States of the business of insurance is in the public interest, and that silence on the part of the Congress shall not be construed to impose any barrier to the regulation or taxation of such business by the several States.

Sec. 2. (a) The business of insurance, and every person engaged therein, shall be subject to the laws of the several States, which relate to the regulation or taxation of such business.

(b) No Act of Congress shall be construed to invalidate, impair or supersede any law enacted by any State for the purpose of regulating the business of insurance, or which imposes a fee or tax upon such business, unless such Act specifically so provides.

Sec. 3. Nothing contained in the Act of September 26, 1914, known as the Federal Trade Commission Act, as amended, or the Act of June 19, 1936, known as the Robinson-Patman Anti-Discrimination Act, shall apply to the business of insurance or to acts in the conduct of that business.

Sec. 4. (a) For the purpose of enabling adjustments to be made and legislation to be adopted by the several States and Congress, until June 1, 1947, the Act of July 2, 1890, as amended, known as the Sherman Act, shall not apply to the business of insurance, or to acts in the conduct of such business and until January 1, 1948, the Act of October 15, 1914, as amended, known as the Clayton Act, shall not apply to such business or to acts in the conduct thereof.

(b) Nothing contained in this section shall render the said Sherman Act inapplicable to any act of boycott, coercion or intimidation.

Sec. 5. Nothing contained in this Act shall be construed to affect in any manner the application to the business of insurance of the Act of July 5, 1935, as amended, known as the National Labor Relations Act, or the Act of June 25, 1938, as amended, known as the Fair Labor Standards Act of 1938.

Sec. 6. As used in this Act, the term "State" includes the several States, Alaska, Hawaii, Puerto Rico, and the District of Columbia.

Sec. 7. If any provision of this Act, or the application of such provision to any person or circumstances, shall be held invalid, the remainder of the Act, and the application of such provision to persons or circumstances other than those as to which it is held invalid, shall not be affected.

TEXT OF PRESIDENT ROOSEVELT'S STATEMENT
ACCOMPANYING HIS SIGNATURE OF INSURANCE BILL ON
MARCH 9, 1945

"I have given my approval to S. 340, the insurance bill, which passed the Congress last week. This bill grants the insurance business a moratorium from the application of the anti-trust laws and certain related statutes, except for agreements to boycott, coercion or intimidation, or acts of boycott, coercion, or intimidation, until January 1, 1948. The purpose of this moratorium period is to permit the States to make necessary readjustments in their laws with respect to insurance in order to bring them into conformity with the decision of the Supreme Court in the South-Eastern Underwriters Association case. After the moratorium period, the anti-trust laws and certain related statutes will be applicable in full force and effect to the business of insurance except to the extent that the States have assumed the responsibility, and are effectively performing that responsibility, for the regulation of whatever aspect of the insurance business may be involved. It is clear from the legislative history and the language of this act, that the Congress intended no grant of immunity for monopoly or for boycott, coercion or intimidation. Congress did not intend to permit private rate fixing, which the Anti-Trust Act forbids, but was willing to permit actual regulation of rates by affirmative action of the States.

"The bill is eminently fair to the States. It provides an opportunity for the orderly correction of abuses which have existed in the insurance business and preserves the right of the States to regulate in a manner consonant with the Supreme Court's interpretation of the anti-trust laws."

APPENDIX B

REPORT OF THE COMMITTEE ON RATES AND RATING ORGANIZATIONS

December 5, 1945

On Saturday, December 1, 1945, the drafting sub-committee submitted to the committee the suggested Fire and Marine rating bill, the Casualty and Surety rating bill and the supporting memorandum and copies thereof were released to the public and are attached hereto.

Subsequent to the four-day informal hearing of the drafting committee at New York on November 14-17, 1945, the drafting committee was asked to consider a memorandum submitted by a group of independent insurers dealing with the time of approval of rate filings. We shall not set forth in detail the contentions advanced in this memorandum. Suffice to say it was contended in general that the Civil Aeronautics Act of 1938 and the Shipping Act of 1916 furnished congressional precedents for the principles of subsequent disapproval of rates made in concert. It was also contended that the action of the House committee on Interstate and Foreign Commerce on November 16 in reporting favorably on H.R. 2536, the Bulwinkle Bill furnished another precedent although it was conceded that the Bulwinkle Bill had not yet passed either the House or the Senate and had not become law. It should be observed that the Bulwinkle Bill attempts to legalize the procedure which has been followed in the field of rail rate-making for many years. It places the rating organizations under the jurisdiction of the Commission as well as the rates made by such rating organizations. Under the bill, those who obtain approval from the Commission of their organizational agreements will not be liable to prosecution under the Anti-Trust laws.

For clarity we add that throughout this report we have repeatedly referred to the Interstate Commerce Commission's regulation of rail rates. This was done as a matter of convenience only and the committee did not overlook the fact that the jurisdiction of the Interstate Commerce Commission extends to other types of carriers as well.

The committee feels that these instances of Federal action did not alter the basic conclusion reached by the Committee on Rates and Rating Organizations at the Chicago meeting on October 27-31, 1945, and pursuant to which the drafting committee prepared prior approval bills. A copy of the report of the Chicago meeting is attached hereto.

The Civil Aeronautics Act provides a partial exemption from the Anti-trust laws for rates made in concert by air carriers. Such agreements must be filed with the Civil Aeronautics Board and the statute provides that any person affected by any such order shall be relieved from the operations of the Anti-Trust laws insofar as may be necessary to enable such person to do anything authorized, approved or required by such Board. Upon inquiry to the Civil Aeronautics Board this committee learned that the board has construed this provision to mean that should any carrier act under such a contract without first securing approval of the board and it thereafter develops that the agreement was found to be adverse to the public interest, the provisions of the Anti-Trust laws apply; consequently the practice has developed upon the part of those carriers making joint rates to secure approval before attempting to act thereunder. Prior approval of the board is not required on rates made by companies acting individually. However, recently a practice has developed upon the part of some air carriers of seeking informal approval of the board on individual rates before they take effect. The Civil Aeronautics Act, therefore, is a very doubtful precedent for the theory of subsequent disapproval of rates made in concert in the aviation field.

The committee also examined the Bulwinkle Bill, the report of the committee on Interstate and Foreign Commerce of the House numbered 1212 and dated November 16, 1945, and the transcript of the hearings before the sub-committee of the Committee on Interstate and Foreign Commerce of the House of Representatives which took place between October 9, and 22, 1945. These documents were most illuminating not only on the Bulwinkle Bill but on the Shipping Act of 1916.

The transcript of the hearings made clear the procedure followed in connection with joint freight rates of rail carriers. It may be summarized as follows: A group of carriers in a given area form a rating association which promulgate rates. These rates are filed with the Interstate Commerce Commission. They must remain on file at least 30 days before they take effect unless the commission suspends their application or shortens the period within which they may take effect. The commission has the power at any time to examine the filing to determine if it meets the statutory standards. Upon this premise, it has been argued that this procedure constitutes a so-called subsequent disapproval but this reference to the law overlooks entirely the practice followed by the rating organizations and the shippers. They use the so-called shipper-carrier conference plan. Under this plan if a shipper seeks a change in rate a hearing is held. Notice of the hearing is publicized and all are allowed to express their views publicly. No filing is submitted to the Interstate Commerce Commission until this procedure has been observed. Shippers appearing before the Congressional sub-committee emphasized the full opportunity for hearing before any change was made. We shall quote two excerpts from the evidence made by shippers-representatives of the public.

"To the average businessman it would seem that a system which permits and requires the consideration of all facts and the hearing of all interested parties prior to the establishment of any change is far superior to one that would permit secret rate-making cut-throat competition, and cause confusion and disorder.

There would appear to be no more reason for the establishment of rates, rules, or regulations without first considering all the facts and hearing all interested parties than there would be for Congress to enact legislation in a similar manner." (From page 259 of the transcript.)

"Organizations known as rate bureaus were established as the meeting ground for shippers and carriers where proposed rate changes are thoroughly discussed *before* they are published.

* * * they (Rate Bureaus) constitute the forum where carriers and shippers discuss rate problems and controversies *before* rate changes are made." (Page 264 of the transcript.)

"Indeed it was pointed out that shippers looked to the Commission as 'The court of last resort whenever conflicts between shippers or between shippers and carriers are not settled through the voluntary machinery of the rate and tariff bureaus.'" (Page 267 of the transcript.)

Thus it will be seen that under the procedure followed in the field of railroad rate making subject to the jurisdiction of the Commission, a practice equivalent to so-called prior approval, has been in existence for many years.

The transcript also contains a statement by the President of one of America's largest steamship lines that a somewhat similar conference practice has been followed for many years under the Shipping Act of 1916. (Pages 367-368.)

The Committee deems it appropriate that attention be called to the District of Columbia Fire Insurance Rating Law enacted by Congress in 1944, which specifically provides that no fire insurance rate in the District of Columbia shall become effective or be charged until it shall have been first filed and approved by the Superintendent.

This is a direct congressional precedent squarely in point.

This brings us to the development at the meeting of the Committee at Grand Rapids on December 4, 1945. At that meeting, representatives of the casualty and surety companies presented their views on the proposed casualty and surety rating bill, and representatives of fire and marine companies did likewise on the fire and marine rating bill. Certain objections to the bills were raised. In one category were the following: (1) The Statutory standards (F. & M. bill, Sec. 3, b; C. & S. bill, Sec. 3, Par. A, Sub-Sec. 4). (2) The standards for the licensing of rating bureaus (F. & M. Bill, Sec. 5a; C. & S. bill, Sec. 5a). (3) The reporting of expense experience (F. & M. bill, Sec. 9; C. & S. bill, Sec. 9), and (4) The Provision for Judicial Review (F. & M. bill, Sec. 12c; C. & S. bill, Sec. 12c). In another category were objections of a minor or editorial character.

A stenographic transcript of the meeting of the committee was made, but this transcript will not be available until after the meeting of the Association. Consequently, the committee instructed the drafting sub-committee to reconvene within a reasonable time after the transcript is ready. At that time the drafting sub-committee is authorized to make the necessary minor and editorial changes and the completed bills will be sent to the membership of the Association. In order to make the bills as nearly complete as possible, the committee passed upon the objections specifically enumerated above in an executive session held immediately after the termination of the meeting of the committee. After careful consideration the committee decided to adhere to the decision of the drafting sub-committee as to these specific items.

Committees in the industry are still attempting to compose some of their differences of opinion on both Fire and Marine rating bills and Casualty and Surety rating bills. Under ordinary circumstances this committee might have been disposed to still further delay the submission of proposed rating bills to the Association in the hope that agreement might be reached. There are, however, legislatures meeting early in 1946 and which will not reconvene until 1948. Consequently, the committee felt it necessary to furnish drafts which could be used as a guide in those legislatures at this time.

The great majority of legislatures will not meet, however, until 1947. This committee intends to continue its research and will, of course, consider any ideas or material developed by the industry or the insurance buying public. The Committee makes no claim that the proposed bills represent the ultimate or last word in rating bills. It is recognized that the science of rate regulation is a progressive one and that changes in thinking will occur as our experience and stock of knowledge increase.

For those states which subscribe to the principles set forth in these bills the committee recommends the use of the bills as legislative guides.

CHARLES F. J. HARRINGTON, *Chairman*
Massachusetts

ROBERT E. DINEEN, New York

NEWELL R. JOHNSON, Minnesota

J. EDWIN LARSON, Florida

JAMES M. McCORMACK, Tennessee

SETH B. THOMPSON, Oregon

MEMORANDUM

CASUALTY AND SURETY RATING BILL FIRE AND INLAND MARINE RATING BILL

The attached bills were prepared by the Drafting Committee of the Committee on Rates and Rating Organizations of the National Association of Insurance Commissioners. The membership of the Committee on Rates and Rating Organizations is identical with the Committee on Federal Legislation of the National Association of Insurance Commissioners. Following the decision of the United States Supreme Court in the SEUA case on June 5, 1944, the Committee on Federal Legislation conducted a series of hearings and in conjunction with interested industry groups prepared the legislative text of the National Association of Insurance Commissioner's proposal to Congress, which was used by Congress as the basis for U. S. Public Law 15 — the insurance moratorium bill, which took effect on March 9, 1945. A copy of that Act is attached hereto.

Following the enactment of U. S. Public Law 15, the Committee reconvened at New York in May, 1945, at which time an All Industry Committee was formed.

This committee, representing every branch of the business, undertook to study the application to the business of insurance of the Sherman, Clayton, Robinson-Patman and Federal Trade Commission Acts in the light of U. S. Public Law 15. Briefs were prepared by most of the interested groups and were exchanged with each other. They were also submitted to the Federal Legislation Committee of the National Association of Insurance Commissioners, whose representatives appeared at the various meetings. In addition to these efforts, groups of stock and mutual fire, casualty and surety companies, including both bureau and independent companies, met and submitted to the Drafting Committee their concepts of rating bills. The Drafting Committee also had the benefit of rating laws already enacted by the various States, as well as the experience of some of the committee members in administering various rating laws in their own States. The Committee on Rates and Rating Organizations and the Committee on Federal Legislation held a joint six-day hearing in Chicago on October 27-31 and November 1, 1945 on the rating problem, both interstate and state, and the Drafting Committee held a four-day informal hearing at New York on November 14-17, 1945.

In the preparation of these bills, the Committee proceeded upon certain assumptions:

(1) That under the SEUA decision, insurance is now commerce and hence is subject to Congressional regulation at any time.

(2) That as a valid exercise of the police power, States may enact rate regulatory laws designed to protect both the companies and the public. This presupposes that such laws contain the customary standards; namely, that rates shall not be excessive, inadequate or unfairly discriminatory.

(3) That under U. S. Public Law 15, action in concert by companies in rate making is not a violation of the Federal Anti-Trust Laws, provided the States regulate the activities of such price-fixing combinations.

Attached hereto is the report of the House Committee on the Judiciary, No. 143, dated February 13, 1945. It will be noted from this report and from the bill itself that it is the intent of the Congress that the States shall continue to regulate and tax the insurance business, but it will also be noted that Congress made no attempt to grant the States unlimited authority in the insurance regulatory field; on the contrary, it specifically provided that the Federal Acts to which reference has already been made shall continue to apply to the insurance business after the expiration of the moratorium "to the extent that such business is not regulated by State law." The report of the House Committee is replete with references to the proposition that while Congress was willing to have the States continue to regulate the insurance business, more adequate regulation was expected.

Attention is directed to the following excerpt from the report of the House Judiciary Committee:

"Nothing in this bill is to be so construed as indicating it to be the intent or desire of Congress to require or encourage the several States to enact legislation that would make it compulsory for any insurance company to become a member of rating bureaus or charge uniform rates. It is the opinion of Congress that competitive rates on a sound financial basis are in the public interest."

The Drafting Committee recognized that the Congressional Conference Committee, which considered the bill after the report of the House Committee was made, made additional changes in the bill. We refer to the fact that as the bill was passed, Congress included the Federal Trade Commission Act in the same category as the Sherman and Clayton Acts, and in language which is somewhat uncertain did the same thing to the Robinson-Patman Act, or, strictly speaking, to part of the Robinson-Patman Act, which happens to be a part of the Clayton Act.

Attached hereto is the statement made by the late President Roosevelt when he signed the bill. It will be noted that while the President emphasized that the States should continue to regulate the insurance business he, like the House Committee, pointed out that there was an obligation upon the part of the States to provide affirmative, effective regulation.

In preparing these proposed bills, the Drafting Committee gave full weight to all of these factors. Throughout its work the Drafting Committee made every effort to prepare bills which would (1) give the insurance business the necessary flexibility, (2) allow it to expand and develop, (3) preserve the right for companies to operate in concert or individually as they prefer, (4) provide adequate supervision over the operation of Rating Bureaus without unduly hampering their activities, (5) make efficient administration possible, (6) provide standards acceptable to both Congress and the States, and above all (7) furnish protection to both the companies and public alike.

Nov. 17, 1945

SEC. 1. PURPOSE OF ACT

The purpose clause in the proposed bills is self-explanatory. It was employed to make abundantly plain that there should be ample room for initiative in the development of new ideas in the insurance business under rate regulatory statutes, and that while companies had the privilege of following the patterns set by others, they were by no means obligated to do so and had complete freedom to make patterns of their own within the framework of the law.

SEC. 2. SCOPE OF ACT

This section is in the main self-explanatory.

It should be emphasized, however, that this Act in its present form contemplates that the regulation of fire, theft and collision rates on automobiles shall be covered by this Act as well as rates on bodily injury and property damage liability insurance.

Accident and health insurance was excluded because it offers certain problems now in the process of solution but not completely solved at this time, a fact to which reference was made in footnote (3) to this section.

Aviation insurance has been excluded not because it is incapable of regulation at the state level but because, relatively speaking, the business is still in its infancy and many problems peculiar to it yet remain to be decided.

Reinsurance has been excluded because by its very nature it does not lend itself to rate regulation.

SEC. 3. MAKING OF RATES

In every rate regulatory law the standards upon which rates are based should be set forth with clarity for the benefit of the companies, the public and the administrators alike. The standards set forth correspond generally to those found in existing rating laws throughout the country. It should be observed that the standards are general rather than detailed and are specially designed to lend themselves to flexibility in their administration and the development of insurance coverages in the public interest.

Attention is specially directed to subsection (b) of this section which was incorporated in the Act for the specific purpose of insuring independence to insurance companies operating under this Act whether acting singly or in concert.

SEC. 4. FILING OF RATES AND RATING INFORMATION; APPROVAL

The basic purpose of this section is to require every insurance company to file its rates with the commissioner and to provide that such rates must be approved before they can be used.

After an extended hearing in Chicago on October 29, 30, 31 and November 1, the Committee on Rates and Rating Organizations of the National Association of Insurance Commissioners unanimously voted for the principle of advance approval in a rating bill and instructed the sub-committee to prepare a bill incorporating that principle. This section carries out that instruction. There were some differences of opinion in the committee as to the legal necessity for advance approval but the committee felt that uncertainty as to the effectiveness of the law would be markedly lessened, if not eliminated, by the use of advance approval. Practical considerations as well as the public interest also entered into the decision. For instance, it was pointed out that most transactions in the insurance business lend themselves readily to advance approval. It was recognized that there are some lines of the business which do not lend themselves to that treatment and flexible provisions to deal with them have been incorporated in the draft.

A provision has been incorporated giving the commissioner continuing jurisdiction over the rate structure and enabling him to act at any time if he finds that rates do not meet the standards of the Act.

This section also enables the public to obtain a hearing first from the company or rating organization which made the rate and thereafter from the commissioner in the event that there is dissatisfaction with the rate.

Special attention is directed to that portion of subsection (a) which provides that each filing shall be accompanied by the information upon which the insurer supports the filing. This is a relatively new development in rating laws and should be of great assistance to supervisory authorities in enabling them to pass upon the propriety of the rates submitted for approval. This section was developed in conjunction with the industry and indicates a disposition upon their part to assist the commissioner to perform his duties in the public interest. It represents a real advance in state supervision of insurance rates.

SEC. 5. RATING ORGANIZATIONS

This section deals with the organization of rating bureaus and prescribes the mechanics of setting up such organizations. It gives the carriers great latitude in the formation of rating organizations. It recognizes that the nature of rating organizations will vary. It permits the continuance of existing bureaus and the formation of new bureaus. It contemplates bureaus composed solely of one type of carrier and so-called bi-partisan bureaus composed of all types of carriers. It makes provision for the use of the facilities of the bureau by those who do not wish to be members but who require the services of the bureau. Above all, it does not make membership in a rating bureau mandatory and, furthermore, it is designed to enable companies to function independently without recourse to a rating bureau if the companies so desire.

It must be stated, however, that measured by existing rating laws this Act imposes more affirmative and effective regulation of rating bureaus. The committee conceived these new requirements to be in the public interest. The committee recognized that in some lines of the business membership in a rating organization is virtually a necessity and the complexity of the rate structure is such that the formation of competing bureaus is unlikely. In such cases it is essential that a high degree of democracy prevail in the management of such organizations and that the commissioner should be empowered to protect not only the rights of a minority in such an organization but the rights of the public as well. Mere supervision of the rates of such an organization is not enough.

The extent to which the commissioner will be called upon to intervene in the internal affairs of rating organizations will depend to a great extent upon the status of the organization in its field. For instance, if there are a number of rating organizations in a given field and there is ample freedom of choice afforded individual carriers in the selection of a bureau, it seems reasonable to assume that the number of occasions when the commissioner would be called upon to intervene in its internal affairs would be relatively small. The amount of supervision will always be in direct proportion to the conduct of the rating organization.

The committee was impelled to strengthen the supervisory provisions of this Act in connection with rating organizations, first, because experience has demonstrated the necessity for broader supervisory powers by the states and, second, the decision of the United States Supreme Court in the South-Eastern Underwriters Association case pointed out that the rules and regulations of rating bureaus can give rise to disservice to the public.

Attention is called to subsection (c) of this section which provides that no rating organization shall adopt any rule the effect of which would be to prohibit or regulate the payment of dividends, savings or unabsorbed premium deposits allowed or returned by insurers to their policyholders, members or subscribers. This provision ties in with subdivision 1 of subsection (a) of Section 3.

In the preparation of this Act the sub-committee was aware of the fact that if an insurance law, as distinguished from a rating law did not contain a provision empowering the commissioner to regulate dividends, there was, in effect, a gap in the chain of regulation governing rates. It was argued that if the commissioner approved a rate at the outset, basing his determination upon all factors entering

into the rate, and thereafter, wholly without supervision, a carrier declared dividends, the effect would be to nullify to some extent the regulatory action taken by the commissioner in the first instance. It was recognized that there are two schools of thought in this field. Some states take the position that a rate regulatory statute or an insurance law that does not contain a provision regulating dividends is incomplete. Other states feel that the declaration of dividends is the function of management. These latter states operate on the principle that the continued paying of abnormally high dividends may well mean that the rate was excessive in the first instance although this may not necessarily be true. The sub-committee has called attention to this particular feature in the Act so that individual states may determine their legislative policy and deal accordingly with this particular question in the light of such policy.

SEC. 6. DEVIATIONS

It has become increasingly evident that any insurance rate regulatory law which unduly restricts the desire of a carrier to pass on a demonstrated economy to the insurance buyer is not in the public interest. The necessity for increased flexibility in the application of deviation statutes is conducive to increased competition within the framework of a rating organization. This section is designed to encourage the granting of deviations in proper cases and is wholly consistent with the modern trend.

Under ordinary circumstances deviations have been granted because of demonstrated savings in the expense portion of the dollar. It is recognized, however, that under certain circumstances an improved loss record of a company justifies a deviation. There may be still other circumstances calling for the granting of a deviation. This section permits all such factors to be considered provided the result is not inconsistent with the basic standards of the Act.

SEC. 7. APPEAL BY MINORITY

As the insurance business has developed and rating organizations have increased in power and influence it has become increasingly obvious that provision must be made for protecting the rights of minorities within these organizations. The casualty and surety section of the business gave recognition to this fact by incorporating in the so-called model rating bill prepared by it a provision for appeal by a minority to the commissioner. In the original draft, however, the right to appeal was limited to questions of coverage and new rating plans and the commissioner's authority was limited to re-committing a disputed case back to the rating organization if he did not agree with its original determination. The sub-committee concluded that these provisions were too narrow and that the Act should enable the commissioner to hear appeals dealing not only with questions of coverage and rating plans but also with the rules and regulations of the rating organization and their application.

As has been pointed out earlier in this analysis, the number of occasions when the commissioner will be called upon to intervene in those fields where there are several rating bureaus will probably be relatively few but there can be no doubt that in those cases where a rating organization in effect dominates a field, broad powers should be conferred upon the commissioner to protect the rights of minorities in such organizations.

SEC. 8. INFORMATION TO BE FURNISHED INSURED HEARINGS AND APPEALS OF INSURED

This section enables an insured to ascertain the manner in which his rate was computed. Not only is the machinery provided for a review of the rate in his behalf by the carrier or rating organization which made the rate but provision is also made for an appeal to the commissioner.

SEC. 9. RATE ADMINISTRATION

In recent times there has become an increasing awareness upon the part of carriers, public and supervisory authorities alike of the necessity for adequate statistics covering not only the loss portion of the dollar but the expense portion as well. In most rating formulas in use today expenses consume a substantial

portion of the dollar and in some lines consume a major portion of the dollar. Practically all rating laws require the commissioner in determining the correctness of the rates to consider expense elements in the premium dollar. It is manifest that the commissioner requires good statistics on this portion of the dollar if he is to discharge his duty. Consequently a rating law which provides for the collection of figures on the loss portion of the dollar only is necessarily incomplete.

Furthermore, we must keep in mind that the Robinson-Patman Act, a portion of which will be applicable to the insurance business after January 1, 1948, expressly prohibits price differentials by reason of volume or size unless supported by adequate cost figures. This development gives further impetus to the necessity for good figures on the expense portion of the dollar.

It is apparent that some expense items will vary from state to state. Taxes fall in this category. Acquisition costs likewise vary from state to state. On the other hand, there are some items in the expense portion of the dollar which do not lend themselves readily to a breakdown on a state-by-state basis. State supervisory authorities are cognizant of these facts and there is no sound reason to anticipate that any unduly burdensome requirements will be laid down by the states in connection with the collection and reporting of expense figures.

In the opinion of the drafting committee this Act makes reasonable provision for dealing with both the recording and reporting of loss and expense experience and also lays a foundation for interstate cooperation in this field.

SEC. 12. HEARING PROCEDURE AND JUDICIAL REVIEW

All commissioners know that from time to time decisions are made without calling a hearing. Occasionally such a decision may be challenged and this section provides the machinery for dealing with such determinations.

It also provides that proceedings before the commissioner shall be informal and adherence to the formal rules of pleading and evidence are waived. This will facilitate the handling of hearings by the many commissioners who do not have legal training.

In addition to individual provisions in the Act authorizing judicial review of the determinations of the commissioner there is an omnibus provision authorizing judicial review of all of his decisions.

In the course of its drafting work the sub-committee called upon representative groups in the industry to present their views on the amount of evidence required to support a determination of the commissioner on judicial review. Roughly speaking, there were three schools of thought. One school argued that upon appeal the appellate court should have the power to review the case *de novo* or as if no prior determination had been made. The sub-committee rejected this contention because, in effect, it substituted the judgment of the appellate court for that of the commissioner. A second contention was that the determination of the commissioner should be final if it were supported by any evidence. The sub-committee rejected this contention because it felt that it imposed undue hardship upon the appellant. The sub-committee adopted the middle course, one which it thought was eminently fair to all parties concerned. It decided that determinations of the commissioner should be final on the facts where they are supported by substantial evidence. This rule is in existence in many states of the Union today and gives adequate protection to any aggrieved person without at the same time unduly interfering with normal administrative processes.

ADDITIONAL SECTION RECOMMENDED FOR STATE WHICH HAS INADEQUATE ANTI-REBATE LAW OR HAS NO SUCH LAW

The sub-committee has also prepared and attached to this Act a proposed anti-rebate law for those states which have inadequate rebate laws or no such laws.

EXPRESSING THE INTENT OF THE CONGRESS WITH REFERENCE
TO THE REGULATION OF THE BUSINESS OF INSURANCE

February 13, 1945. Referred to the House Calendar and ordered to be printed
MR. WALTER, from the Committee on the Judiciary, submitted the following:

REPORT

(To accompany S. 340)

The Committee on the Judiciary, to whom was referred the bill (S. 340) to express the intent of the Congress with reference to the regulation of the business of insurance, having considered the same, report favorably thereon with an amendment with the recommendation that the bill, as amended, do pass.

The committee amendment⁺ is as follows:

Strike out all after the enacting clause and insert the following:

That the Congress hereby declares that the continued regulation and taxation by the several States of the business of insurance is in the public interest, and that silence on the part of the Congress shall not be construed to impose any barrier to the regulation or taxation of such business by the several States.

Sec. 2. (a) The business of insurance, and every person engaged therein, shall be subject to the laws of the several States which relate to the regulation or taxation of such business.

(b) No Act of Congress shall be construed to invalidate, impair, or supersede any law enacted by any State for the purpose of regulating the business of insurance, or which imposes a fee or tax upon such business, unless such Act specifically so provides.

Sec. 3. Nothing contained in the Act of September 26, 1914, known as the Federal Trade Commission Act, as amended, or the Act of June 19, 1936, known as the Robinson-Patman Anti-discrimination Act, shall apply to the business of insurance or to acts in the conduct of that business.

Sec. 4. (a) Until January 1948, the Act of July 2, 1890, as amended, known as the Sherman Act, and the Act of October 15, 1914, as amended, known as the Clayton Act, shall not apply to the business of insurance or to acts in the conduct thereof.

(b) Nothing contained in this section shall render the said Sherman Act inapplicable to any act of boycott, coercion, or intimidation.

Sec. 5. Nothing contained in this Act shall be construed to affect in any manner the application to the business of insurance of the Act of July 5, 1935, as amended, known as the National Labor Relations Act, or the Act of June 25, 1938, as amended, known as the Fair Labor Standards Act of 1938 or the Act of June 5, 1920, known as the Merchant Marine Act, 1920.

Sec. 6. As used in this Act, the term "State" includes the several States, Alaska, Hawaii, Puerto Rico, and the District of Columbia.

Sec. 7. If any provision of this Act, or the application of such provision to any person or circumstances, shall be held invalid, the remainder of the Act, and the application of such provision to persons or circumstances other than those as to which it is held invalid, shall not be affected.

GENERAL STATEMENT

From its beginning the business of insurance has been regarded as a local matter, to be subject to and regulated by the laws of the several States. This view has been fostered and augmented by decisions of the United States Supreme Court for a period of more than 75 years, leading to the generally accepted doctrine that the business of insurance was not subject to Federal law.

On June 5, 1944, in the case of *U. S. v. Southeastern Underwriters Association et al.*, the Supreme Court decided that the business of insurance was commerce and, therefore, subject to the Sherman Act of July 2, 1890, as amended, and the Clayton Act of October 15, 1914, as amended.

The Attorney General, in several appearances before the Judiciary Committee, frankly stated that the Department of Justice had no opposition to an extension of time to the insurance industry in order to make necessary adjustments to this decision.

Inevitable uncertainties which followed the handing down of the decision in the Southeastern Underwriters Association case, with respect to the constitutionality of State laws, have raised questions in the minds of insurance executives, State insurance officials, and others as to the validity of State tax laws as well as State regulatory provisions; thus making desirable legislation by the Congress to stabilize the general situation.

Bills attempting to deal with the problem were considered in both the House and the Senate during the Seventy-eighth Congress, but failed of enactment. Your committee believes there is urgent need for an immediate expression of policy by the Congress with respect to the continued regulation of the business of insurance by the respective States. Already many insurance companies have refused, while others have threatened refusal to comply with State tax laws, as well as with other State regulations, on the ground that to do so, when such laws may subsequently be held unconstitutional in keeping with the precedent-smashing decision in the Southeastern Underwriters case, will subject insurance executives to both civil and criminal actions for misappropriation of company funds.

The committee has therefore given immediate consideration to S. 340, together with a similar measure, H. R. 1973, so that the several States may know that the Congress desires to protect the continued regulation and taxation of the business of insurance by the several States, and thus enables insurance companies to comply with State laws. What is more, the Congress proposes by this bill to secure adequate regulation and control of the insurance business.

Nothing in this bill is to be so construed as indicating it to be the intent or desire of Congress to require or encourage the several States to enact legislation that would make it compulsory for any insurance company to become a member of rating bureaus or charge uniform rates. It is the opinion of Congress that competitive rates on a sound financial basis are in the public interest.

It is not the intention of Congress in the enactment of this legislation to clothe the States with any power to regulate or tax the business of insurance beyond that which they had been held to possess prior to the decision of the United States Supreme Court in the Southeastern Underwriters Association case. Briefly, your committee is of the opinion that we should provide for the continued regulation and taxation of insurance by the States, subject always, however, to the limitations set out in the controlling decisions of the United States Supreme Court, as, for instance, in *Allgeyer v. Louisiana* (165 U. S. 578), *St. Louis Cotton Compress Co. v. Arkansas* (260 U. S. 346), and *Connecticut General Insurance Co. v. Johnson* (303 U. S. 77), which hold, inter alia, that a State does not have power to tax contracts of insurance or reinsurance entered into outside its jurisdiction by individuals or corporations resident or domiciled therein covering risks within the State or to regulate such transactions in any way.

PURPOSE OF THE BILL

The purpose of the bill is twofold: (1) to declare that the continued regulation and taxation by the several States of the business of insurance is in the public interest; and (2) to assure a more adequate regulation of this business in the States by suspending the application of the Sherman and Clayton Acts for approximately two sessions of the State legislatures, so that the States and the Congress may consider legislation during that period. It should be noted that this bill, by the moratorium proposed therein, does not repeal the Sherman and Clayton Acts, but opportunity will have been granted for the States to permit agreements and contracts by insurance companies which otherwise might be in violation of the Sherman and Clayton Acts. It should be noted further that no moratorium is granted from the Sherman Act relative to agreements or acts of boycott, coercion or intimidation.

ANALYSIS BY SECTION

Section 1 declares that the continued regulation and taxation by the States of the business of insurance is in the public interest.

Section 2 provides that the insurance business, and all persons engaged in such business, shall be subject to State laws relating to the regulation and taxation of such business; and (b) that no act of Congress shall be construed to invalidate, impair, or supersede any State law which regulates or taxes the insurance business, unless such act specifically so provides.

Section 3 provides that the Federal Trade Commission Act and the Robinson-Patman Antidiscrimination Act shall not apply to the insurance business, or to acts in the conduct of such business.

Section 4 suspends the application of the Sherman Act and the Clayton Act to the business of insurance until January 1, 1948; and (b) provides that at no time are the prohibitions in the Sherman Act against any act of boycott, coercion, or intimidation suspended. These provisions of the Sherman Act remain in full force and effect.

Section 5 provides that the enactment of this act shall not affect, in any manner, the present application of the National Labor Relations Act, the Fair Labor Standards Act, or the Merchant Marine Act, to the business of insurance.

Section 6 defines the term "State."

Section 7 provides for separability of provisions.

CONCLUSION

In the considered judgment of your committee, S. 340, as amended, represents a most commendable effort on the part of insurance companies and State insurance commissioners to effect the adjustments and reorganization in and among the financial operations of insurance companies and in State laws which have been made necessary by the decision in the *Southeastern Underwriters case*. It should be emphasized that the bill has received the overwhelming endorsement of the principal national organizations of State insurance commissioners, insurance executives, agents, brokers, and underwriters, including the National Association of Insurance Commissioners, the American Life Convention, the American Mutual Alliance, the Association of Casualty and Surety Executives, the Inland Marine Underwriters Association, the National Association of Insurance Agents, the National Association of Mutual Insurance Agents, the National Board of Fire Underwriters, Insurance Executives Association, National Association of Insurance Brokers, Inc., the National Association of Casualty and Surety Agents, the Surety Association of America, the National Fraternal Congress of America, and the Health and Accident Underwriters Conference. Opportunity is granted to the State legislatures during their present and forthcoming sessions for 1945, 1946, and 1947 to consider the welfare of policyholders.

Enactment of this bill will (1) remove existing doubts as to the right of the States to regulate and tax the business of insurance, and (2) secure more adequate regulation of such business.

PUBLIC LAW 15 — 79TH CONGRESS

CHAPTER 20 — 1st Session
(S. 340)

AN ACT

To express the intent of the Congress with reference to the regulation of the business of insurance.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Congress hereby declares that the continued regulation and taxation by the several States of the business of insurance is in the public interest, and that silence on the part of the Congress shall not be construed to impose any barrier to the regulation or taxation of such business by the several States.

Sec. 2. (a) The business of insurance, and every person engaged therein, shall be subject to the laws of the several States which relate to the regulation or taxation of such business.

(b) No Act of Congress shall be construed to invalidate, impair, or supersede any law enacted by any State for the purpose of regulating the business of insurance, or which imposes a fee or tax upon such business, unless such Act specifically relates to the business of insurance: Provided, That after January 1948, the Act of July 2, 1890, as amended, known as the Sherman Act, and the Act of October 15, 1914, as amended, known as the Clayton Act, and the Act of September 26, 1914, known as the Federal Trade Commission Act, as amended, shall be applicable to the business of insurance to the extent that such business is not regulated by State law.

Sec. 3. (a) Until January 1, 1948, the Act of July 2, 1890, as amended, known as the Sherman Act, and the Act of October 15, 1914, as amended, known as the Clayton Act, and the Act of September 26, 1914, known as the Federal Trade Commission Act, as amended, and the Act of June 19, 1936, known as the Robinson-Patman Anti-discrimination Act, shall not apply to the business of insurance or to acts in the conduct thereof.

(b) Nothing contained in this Act shall render the said Sherman Act inapplicable to any agreement to boycott, coerce, or intimidate, or act of boycott, coercion, or intimidation.

Sec. 4. Nothing contained in this Act shall be construed to affect in any manner the application to the business of insurance of the Act of July 5, 1935, as amended, known as the National Labor Relations Act, or the Act of June 25, 1938, as amended, known as the Fair Labor Standards Act of 1938, or the Act of June 5, 1920, known as the Merchant Marine Act, 1920.

Sec. 5. As used in this Act, the term "State" includes the several States, Alaska, Hawaii, Puerto Rico, and the District of Columbia.

Sec. 6. If any provision of this Act, or the application of such provision to any person or circumstances, shall be held invalid, the remainder of the Act, and the application of such provision to persons or circumstances other than those as to which it is held invalid, shall not be affected.

Approved March 9, 1945.

TEXT OF PRESIDENT ROOSEVELT'S STATEMENT ACCOMPANYING HIS SIGNATURE
OF INSURANCE BILL ON MARCH 9, 1945

"I have given my approval to S. 340, the insurance bill, which passed the Congress last week. This bill grants the insurance business a moratorium from the application of the anti-trust laws and certain related statutes, except for agreements to boycott, coercion or intimidation, or acts of boycott, coercion, or intimidation, until January 1, 1948. The purpose of this moratorium period is to permit the States to make necessary readjustments in their laws with respect to insurance in order to bring them into conformity with the decision of the Supreme Court in the South-Eastern Underwriters Association case. After the moratorium period, the anti-trust laws and certain related statutes will be applicable in full force and effect to the business of insurance except to the extent that the States have assumed the responsibility, and are effectively performing that responsibility, for the regulation of whatever aspect of the insurance business may be involved. It is clear from

the legislative history and the language of this act, that the Congress intended no grant of immunity for monopoly or for boycott, coercion or intimidation. Congress did not intend to permit private rate fixing, which the Anti-Trust Act forbids, but was willing to permit actual regulation of rates by affirmative action of the States.

The bill is eminently fair to the States. It provides an opportunity for the orderly correction of abuses which have existed in the insurance business and preserves the right of the States to regulate in a manner consonant with the Supreme Court's interpretation of the anti-trust laws."

CASUALTY AND SURETY RATING BILL

AN ACT RELATIVE TO THE MAKING, FILING AND APPROVAL OF RATES FOR CERTAIN CASUALTY INSURANCE INCLUDING FIDELITY, SURETY AND GUARANTY BONDS AND FOR ALL OTHER FORMS OF MOTOR VEHICLE INSURANCE AND TO RATING ORGANIZATIONS (AND REPEALING SECTIONS.).

(In each state the title should be drawn to conform to legislative requirements)

Be it enacted (By):

Sec. 1 — PURPOSE OF ACT

The purpose of this Act is to promote the public welfare by regulating insurance rates to the end that they shall not be excessive, inadequate, unfairly discriminatory or otherwise unreasonable. Nothing in this Act is intended (1) to prohibit or discourage reasonable competition, or (2) to prohibit, or encourage except to the extent necessary to accomplish the aforementioned purpose, uniformity in insurance rates, rating plans or practices. This Act shall be liberally interpreted to carry into effect the provisions of this section.

Sec. 2 — SCOPE OF ACT

This Act applies to casualty insurance¹, including fidelity, surety and guaranty bonds, and to all other forms of motor vehicle insurance on risks or operations in the state (, except reinsurance, accident and health insurance, insurance against loss of or damage to, or against liability, other than workmen's compensation and employers' liability, arising out of the ownership, maintenance or use of, any aircraft and insurance against.².)³.

Sec. 3 — MAKING OF RATES

(a) All rates shall be made in accordance with the following provisions:

1. Consideration shall be given to the past and prospective loss and expense experience including the catastrophe hazards, if any, both within and without this state, to all factors reasonably attributable to the class of risks, to a reasonable profit, and in the case of participating insurers to policyholders' dividends, savings or unabsorbed premium deposits allowed or returned by an insurer to its policyholders, members or subscribers;

2. The systems of expense provisions included in the rates for use by any insurer or group of insurers may differ from those of other insurers or groups of insurers to reflect the requirements of the operating methods of any such insurer or group with respect to any kind of insurance, or with respect to any subdivision or combination thereof for which subdivision or combination the (commissioner of insurance), hereinafter referred to as the (commissioner), approves the application of separate expense provisions;

3. Risks may be grouped by classifications for the establishment of rates and minimum premiums. Classification rates may be modified to produce rates for individual risks in accordance with rating plans which establish standards for measuring variations in hazards or expense provisions, or both;

4. Rates shall not be excessive, inadequate, unfairly discriminatory or otherwise unreasonable.

(b) Except to the extent necessary to meet the provisions of subdivision 4 of subsection (a) of this section, uniformity among insurers in any matters within the scope of this section is neither required nor prohibited.

¹ The words "casualty insurance" are used herein in their generally accepted trade sense. The wording of the section should be fitted to any laws of the state which classify insurance.

² Here list any other kinds of casualty insurance to which this Act does not apply.

³ The Drafting Committee reached no conclusion as to the ultimate treatment of aircraft cargo insurance, accident and health insurance, and aviation insurance.

Sec. 4 — FILING OF RATES AND RATING INFORMATION; APPROVAL

(a) Every insurer shall file with the (commissioner) every manual of classifications, rules and rates, every rating plan and every modification of any of the foregoing which it proposes to use. Every such filing shall indicate the character and extent of the coverage contemplated and shall be accompanied by the information upon which the insurer supports the filing. A filing and supporting data shall be open to public inspection when the rate becomes effective.

(b) An insurer may satisfy its obligation to make such filings by becoming a member of, or a subscriber to, a licensed rating organization which makes such filings and by authorizing the (commissioner) to accept such filings on its behalf; provided, that nothing contained in this Act shall be construed as requiring any insurer to become a member of or subscriber to any rating organization. "Rating organization" means any corporation, unincorporated association, partnership or individual engaged in making rates for more than one insurer.

(c) Any filing made pursuant to this section shall be approved by the (commissioner) unless he finds that such filing does not meet the requirements of this Act. As soon as reasonably possible after the filing has been made the (commissioner) shall in writing approve or disapprove the same; provided, that any filing shall be deemed approved unless disapproved within thirty days.

(d) Any special filing with respect to a surety or guaranty bond required by law or by court or executive order or by order, rule or regulation of a public body, not covered by a previous filing, shall be deemed approved from the date of filing to the date of such formal approval or disapproval.

(e) If the (commissioner) in his discretion shall determine that a filing is impractical or unnecessary as to a kind, class, subdivision or combination of insurance, he may suspend the requirement of filing as to such kind, class, subdivision or combination until otherwise ordered by him.

(f) In the event that the (commissioner) disapproves a filing he shall specify in what respect he finds that such filing does not meet the requirements of this Act.

(g) A rate in excess of that provided by approved filings may be used on any specific risk with the written consent of the (commissioner) and the insured.

(h) If at any time the (commissioner) finds that a filing so approved does not meet the requirements of this Act, he may, after a hearing held on not less than twenty days' written notice, specifying the matters to be considered at such hearing, to every insurer and rating organization which made such filing, issue an order withdrawing his approval thereof. Said order shall specify in what respects the (commissioner) finds that such filing does not meet the requirements of this Act and shall be effective not less than thirty days after its issuance. Copies of such order shall be sent to every such insurer and rating organization.

(i) Any person or organization aggrieved by the action of the (commissioner) with respect to any filing may make written request to the (commissioner) for a hearing thereon, provided, that this subsection shall not apply to an insurer or rating organization with respect to a withdrawal of approval of a filing made by it. The (commissioner) shall hear such aggrieved party within thirty days after receipt of such request and shall give not less than ten days' written notice of the time and place of the hearing to the insurer or rating organization which made the filing and to any other aggrieved party. Within thirty days after such hearing the (commissioner) shall affirm, reverse or modify his previous action specifying his reasons therefor. Whenever the request for a hearing is made within thirty days after the action of the (commissioner) with respect to any filing, the (commissioner) may, pending such hearing and decision thereon, suspend or postpone the effective date of his previous action.

(j) Beginning ninety days after the effective date of this Act no insurer shall make or issue a contract or policy except in accordance with filings which have been approved for said insurer as provided in this Act.

Sec. 5 — RATING ORGANIZATION

(a) A corporation, an unincorporated association, a partnership or an individual, whether located within or outside the state, may make application to the (commissioner) for license as a rating organization for such kinds of insurance or subdivisions thereof as are specified in its application and shall file therewith (1) a copy of its

constitution, its articles of agreement or association or its certificate of incorporation, and of its by-laws and rules governing the conduct of its business, (2) a list of its members and subscribers, (3) the name and address of a resident of the state upon whom notices or orders of the (commissioner) or process affecting such rating organization may be served and (4) a statement of its qualification as a rating organization. If the (commissioner) finds that the applicant is competent, trustworthy and otherwise qualified to act as a rating organization, and that its constitution, articles of agreement or association or certificate of incorporation, and its by-laws and rules governing the conduct of its business, are reasonable and conform to the requirements of law and that the granting of a license is in the public interest, he shall issue a license specifying the kinds of insurance or subdivisions thereof for which the applicant is authorized to act as a rating organization. Every such application shall be granted or denied in whole or in part by the (commissioner) within sixty days of the date of its filing with him. Licenses issued pursuant to this section shall remain in effect for three years unless sooner suspended or revoked by the (commissioner). Any such license may be suspended or revoked by the (commissioner) if he finds, after hearing upon notice, that the constitution, articles of agreement or association or certificate of incorporation or by-laws or rules of the rating organization do not meet the requirements of this Act. The fee for said license shall be (ten dollars). No rating organization shall make rates for risks located in this state without a license.

(b) Each rating organization shall, subject to reasonable rules and regulations, permit any insurer, not a member, to become a subscriber to its rating services for any kind of insurance or subdivision thereof for which it is authorized to act as a rating organization. Each rating organization shall furnish its rating services without discrimination to its members and subscribers. The refusal of any rating organization to admit an insurer as a subscriber shall, at the request of such insurer, be reviewed by the (commissioner) at a hearing held upon at least ten days' written notice to such rating organization and such insurer. If the rating organization fails to grant or reject an insurer's application for subscribership within thirty days after it was made, the insurer may request a review by the (commissioner) as if the application had been rejected. If the (commissioner) finds that the insurer has been refused admittance to the rating organization as a subscriber without justification, he shall make an order directing the rating organization to admit the insurer as a subscriber. If he finds that the action of the rating organization was justified, he shall make an order affirming its action. Every rating organization shall notify the (commissioner) promptly of every change in (1) its constitution, its articles of agreement or association or its certificate of incorporation, and its by-laws and rules governing the conduct of its business, (2) its list of members and subscribers and (3) the name or address of the resident of the state designated by it upon whom notices or orders of the (commissioner) or process affecting such rating organization may be served.

(c) No rating organization shall adopt any rule the effect of which would be to prohibit or regulate the payment of dividends, savings or unabsorbed premium deposits allowed or returned by insurers to their policyholders, members or subscribers.

(d) The (commissioner) shall, at least once in five years, make or cause to be made an examination of each rating organization licensed in this state. The reasonable costs of such examination shall be paid by the rating organization examined upon presentation to it of a detailed account of such cost. The officers, managers, agents and employees of such rating organization may be examined at any time under oath and shall exhibit all books, records, accounts, documents or agreements governing its method of operation. The (commissioner) may waive such examination upon proof that such rating organization has, within a reasonably recent period, been examined by the insurance supervisory official of another state, pursuant to the laws of such state, and upon the filing with the (commissioner) of a copy of the report of such examination.

Sec. 6 — DEVIATIONS

Every member of or subscriber to a rating organization shall adhere to the filings made on its behalf by such organization except that any such insurer may make

written application to the (commissioner) for approval on its behalf of a uniform percentage decrease or increase to be applied to the premiums produced by the rating system so filed for a kind, class or classes of insurance, or for a subdivision or combination thereof for which subdivision or combination the (commissioner) has approved the application of separate expense provisions by such rating organization. Such application shall specify the basis for the modification and a copy thereof shall also be sent simultaneously to such rating organization. The (commissioner) shall set a time and place for a hearing at which the insurer and such rating organization may be heard and shall give them not less than ten days' written notice thereof. In the event the (commissioner) is advised by the rating organization that it does not desire a hearing he may, upon the consent of the applicant, waive such hearing. The (commissioner) shall approve the modification for such insurer if he finds it to be justified. He shall not approve such modification if he finds that the resulting premiums would be inadequate, excessive, unfairly discriminatory or otherwise unreasonable. Each deviation shall be effective for a period of one year from the date of approval unless terminated sooner with the approval of the (commissioner).

Sec. 7 — APPEAL BY MINORITY

Any member of or subscriber to a rating organization may appeal to the (commissioner) from the action or decision of such rating organization in using, interpreting or applying its constitution, articles of agreement or association or certificate of incorporation, or its by-laws or rules or regulations, or in approving or rejecting any proposed change in or addition to the filings of such rating organization and the (commissioner) shall, after a hearing held on not less than ten days' written notice to the appellant and to such rating organization, issue an order affirming, reversing or modifying such action or decision.

SEC. 8 — INFORMATION TO BE FURNISHED INSURED; HEARINGS AND APPEALS OF INSURED

Every rating organization and every insurer which makes its own rates shall, within a reasonable time after receiving written request therefor and upon payment of such reasonable charge as it may make, furnish to any person affected by a rate made by it, or to the authorized representative of such person, all pertinent information as to such rate.

Every rating organization and every insurer which makes its own rates shall provide within this state reasonable means whereby any person aggrieved by the application of its rating system may be heard, in person or by his authorized representative, on his written request to review the manner in which such rating system has been applied in connection with the insurance afforded him. If the rating organization or insurer fails to grant or reject such request within thirty days after it is made, the applicant may proceed in the same manner as if his application had been rejected. Any party affected by the action of such rating organization or such insurer on such request may, within thirty days after written notice of such action, appeal to the (commissioner), who, after a hearing held on not less than ten days' written notice to the appellant and to such rating organization or insurer, may affirm, reverse or modify such action.

Sec. 9 — RATE ADMINISTRATION

(a) *Recording and Reporting of Loss and Expense Experience*

The (commissioner) shall promulgate reasonable rules and statistical plans, reasonably adapted to each of the rating systems approved by him, which may be modified from time to time and which shall be used thereafter by each insurer in the recording and reporting of its loss and expense experience in order that the loss and expense experience of all insurers may be made available at least biennially in such form and detail as may be necessary to aid him in determining whether rating systems comply with the standards set forth in Section 3. In promulgating such rules and plans, the (commissioner) shall give due consideration to the rating systems approved by him and, in order that such rules and plans may be as uniform as is practicable among the several states, to the rules and to the form of the plans

used for such rating systems in other states and countrywide. No insurer shall be required to record or report its loss experience on a classification basis that is inconsistent with the rating system approved for its use. The (commissioner) may designate one or more rating organizations or other agencies to assist him in gathering such experience and making compilations thereof, and such compilations shall be made available, subject to reasonable rules promulgated by the (commissioner) to insurers and rating organizations.

(b) Interchange of Rating Plan Data

Reasonable rules and plans may be promulgated by the (commissioner) for the interchange of loss and expense experience necessary for the application of rating plans.

(c) Consultation with Other States

In order to further uniform administration of rating laws, the (commissioner) and every insurer and rating organization may exchange information and experience data with insurance supervisory officials, insurers and rating organizations in other states and may consult and cooperate with them with respect to ratemaking and the application of rating systems.

(d) Rules and Regulations

The (commissioner) may make reasonable rules and regulations necessary to effect the purposes of this Act.

Sec. 10 — FALSE OR MISLEADING INFORMATION

The wilful withholding of information from, or the giving of false or misleading information to the (commissioner) or to any statistical agency designated by the (commissioner) or to any rating organization or to any insurer which will in any way affect the rates or premiums chargeable under this Act shall constitute a violation of this Act and shall subject the one guilty of such violation to the penalties provided for in Section 11 of this Act.

Sec. 11 — PENALTIES

The (commissioner) may, if he finds that any person or organization has violated any provision of this Act, impose a penalty of not more than \$250 for each such violation, but if he finds such violation to be wilful he may impose a penalty of not more than \$1,000 for each such violation. Such penalties may be in addition to any other penalty provided by law.*

The (commissioner) may suspend the license of any rating organization or insurer which fails to comply with an order of the (commissioner) within the time limited by such order, or any extension thereof which the (commissioner) may grant. The (commissioner) shall not suspend the license of any rating organization or insurer for failure to comply with an order until the time prescribed for an appeal therefrom has expired or, if an appeal has been taken, until such order has been affirmed. The (commissioner) may determine when a suspension of license shall become effective and it shall remain in effect for the period fixed by him, unless he modifies or rescinds such suspension, or until the order upon which such suspension is based is modified, rescinded, or reversed.

No penalty shall be imposed and no license shall be suspended or revoked except upon a written order of the (commissioner), stating his findings, made after a hearing held upon not less than ten days' written notice to such person or organization specifying the alleged violation.

Sec. 12 — HEARING PROCEDURE AND JUDICIAL REVIEW†

(a) Any insurer or rating organization aggrieved by any order or decision of the (commissioner) made without a hearing, may, within thirty days after notice of the order to the insurer or organization, make written request to the (commissioner) for a hearing thereon. The (commissioner) shall hear such party or parties within thirty days after receipt of such request and shall give not less than fifteen days' written notice of the time and place of the hearing. Within thirty days after

* In some states the imposition of fines by administrative officers is prohibited by basic law. It may be necessary to modify the Act to provide for the imposition of fines and penalties by some other appropriate state authority.

† Consideration should be given to the practice and procedure in each state.

such hearing the (commissioner) shall affirm, reverse or modify his previous action, specifying his reasons therefor. Pending such hearing and decision thereon the (commissioner) may suspend or postpone the effective date of his previous action.

(b) Nothing in this Act contained shall require the observance at any hearing of formal rules of pleading or evidence.

(c) The findings, determinations and orders of the (commissioner) made after notice and hearing, pursuant to this Act, shall be subject to judicial review. Such appeal shall be heard on the record made before the (commissioner). The decision of the (commissioner) shall be final as to all questions of fact where supported by substantial evidence but shall not be final as to questions of law. The court shall determine whether the filing of an appeal shall operate as a stay and may indisposing of the issue before it modify, affirm or reverse the order of the (commissioner) in whole or in part.

Sec. 13 — LAWS REPEALED

Sections of the statutes of this state are hereby repealed. All other laws or parts of laws inconsistent with the provisions of this Act are hereby repealed.

Sec. 14 — CONSTITUTIONALITY

If any section, subsection, subdivision, paragraph, sentence or clause of this Act is held invalid or unconstitutional, such decision shall not affect the remaining portions of this Act.

Sec. 15 — EFFECTIVE DATE

This Act shall take effect..... *

ADDITIONAL SECTION RECOMMENDED FOR STATE WHICH HAS INADEQUATE ANTI-REBATE LAW OR HAS NO SUCH LAW

Sec. () — REBATES PROHIBITED

No insurer or employee thereof, and no broker or agent shall knowingly charge demand or receive a premium for any policy of insurance except in accordance with the applicable filing approved by the (commissioner). No insurer or employee thereof, and no broker or agent shall pay, allow, or give, or offer to pay, allow, or give, directly or indirectly, as an inducement to insurance, or after insurance has been effected, any rebate, discount, abatement, credit, or reduction of the premium named in a policy of insurance, or any special favor or advantage in the dividends or other benefits to accrue thereon, or any valuable consideration or inducement whatever, not specified in the policy of insurance. No insured named in a policy of insurance, nor any employee of such insured shall knowingly receive or accept, directly or indirectly, any such rebate, discount, abatement, or reduction of premium, or any special favor or advantage or valuable consideration or inducement. Nothing herein contained shall be construed as prohibiting the payment of commissions or other compensation to duly licensed agents and brokers, nor as prohibiting any participating insurer from distributing to its policyholders dividends, savings or the unused or unabsorbed portion of premiums and premium deposits.

As used in this section the word "insurance" includes suretyship and the word "policy" includes bond.

Nov. 17, 1945.

* The effective date of this Act should be set sufficiently ahead to allow the insurance department, the companies and the rating organizations to prepare themselves with necessary personnel and procedures to carry out the purposes of the Act. It is recommended that such effective date should be not earlier than January 1, 1947.

FIRE AND MARINE RATING BILL

AN ACT RELATING TO THE MAKING, FILING AND APPROVAL OF RATES FOR FIRE AND MARINE AND ALLIED LINES OF INSURANCE AND TO RATING ORGANIZATIONS (AND REPEALING SECTIONS.....).

(In each state the title should be drawn to conform to legislative requirements.)

Be it enacted (By.....):

Sec. 1 — PURPOSE OF ACT

The purpose of this Act is to promote the public welfare by regulating insurance rates to the end that they shall not be excessive, inadequate, unfairly discriminatory or otherwise unreasonable. Nothing in this Act is intended (1) to prohibit or discourage reasonable competition, or (2) to prohibit, or encourage except to the extent necessary to accomplish the aforementioned purpose, uniformity in insurance rates, rating plans or practices. This Act shall be liberally interpreted to carry into effect the provisions of this section.

Sec. 2 — SCOPE OF ACT

This Act applies to fire and marine insurance and allied lines, including.....
*....., on risks located in this state, including all insurance which is now or hereafter defined by statute, by ruling of the (commissioner of insurance), hereinafter referred to as the (commissioner), or by lawful custom as inland marine insurance; but shall not apply

- (a) to reinsurance;
- (b) to insurance of vessels or craft, their cargoes, marine builders' risks, marine protection and indemnity, or other risks commonly insured under marine, as distinguished from inland marine, insurance policies;
- (c) to insurance of hulls of aircraft, including accessories and equipment, and liability for damage to property resulting from ownership, use or maintenance of aircraft.

Sec. 3 — MAKING OF RATES

Rates shall be made in accordance with the following provisions:

- (a) Basic classifications, which shall be used as the basis of all manual, minimum, class or schedule rates or rating plans, shall be made and adopted, except in the case of specific inland marine rates on risks specially rated.
- (b) Rates shall not be excessive, inadequate, unfairly discriminatory or otherwise unreasonable.
- (c) Consideration shall be given to the past and prospective loss and expense experience, including the conflagration and catastrophe hazards, if any, both within and without this state, to all factors reasonably attributable to the class of risks, to a reasonable profit, and in the case of participating insurers to policyholders' dividends, savings or unabsorbed premium deposits allowed or returned by an insurer to its policyholders, members or subscribers.
- (d) Except to the extent necessary to meet the provisions of subsection (b) of this section, uniformity among insurers in any matters within the scope of this section is neither required nor prohibited.

Sec. 4 — FILING OF RATES AND RATING INFORMATION; APPROVAL

Rates may be used when promulgated in accordance with the following provisions:

- (a) Every authorized insurer shall file with the (commissioner) every basic classification, manual, minimum, class or schedule rate or rating plan and every other rating schedule or rule and every modification of any of the foregoing which it proposes to use. Every such filing shall indicate the character and extent of the coverage contemplated and shall be accompanied by the information upon which the insurer supports the filing. A filing and supporting data shall be open to public inspection when the rate becomes effective.

* Name lines of insurance to which Act is intended to apply.

(b) An insurer may satisfy its obligation to make such filings by becoming a member of, or a subscriber to, a licensed rating organization which makes such filings and by authorizing the (commissioner) to accept such filings on its behalf; provided, that nothing contained in this Act shall be construed as requiring any insurer to become a member of or subscriber to any rating organization. "Rating organization" means any corporation, unincorporated association, partnership or individual engaged in making rates for more than one insurer.

(c) Any filing made pursuant to this section shall be approved by the (commissioner) unless he finds that such filing does not meet the requirements of this Act. As soon as reasonably possible after the filing has been made the (commissioner) shall in writing approve or disapprove the same; provided, that any filing shall be deemed approved unless disapproved within thirty days.

(d) As to all inland marine risks which by general custom are written according to manual rates or rating plans, class rates or rating plans shall be filed with the (commissioner) by all authorized insurers writing such risks. As to all other inland marine risks rates shall be filed with the (commissioner) only when directed.

(e) If the (commissioner) in his discretion shall determine that a filing is impractical or unnecessary as to a kind, class, subdivision or combination of insurance, he may suspend the requirement of filing as to such kind, class, subdivision or combination until otherwise ordered by him.

(f) In the event that the (commissioner) disapproves a filing he shall specify in what respect he finds that such filing does not meet the requirements of this Act.

(g) A rate in excess of that provided by approved filings may be used on any specific risk with the written consent of the (commissioner) and the insured.

(h) If at any time the (commissioner) finds that a filing so approved does not meet the requirements of this Act, he may, after a hearing held on not less than twenty days' written notice, specifying the matters to be considered at such hearing to every insurer and rating organization which made such filing, issue an order withdrawing his approval thereof. Said order shall specify in what respects the (commissioner) finds that such filing does not meet the requirements of this Act and shall be effective not less than thirty days after its issuance. Copies of such order shall be sent to every such insurer and rating organization.

(i) Any person or organization aggrieved by the action of the (commissioner) with respect to any filing may make written request to the (commissioner) for a hearing thereon, provided, that this subsection shall not apply to an insurer or rating organization with respect to a withdrawal of approval of a filing made by it. The (commissioner) shall hear such aggrieved party within thirty days after receipt of such request and shall give not less than ten days' written notice of the time and place of the hearing to the insurer or rating organization which made the filing and to any other aggrieved party. Within thirty days after such hearing the (commissioner) shall affirm, reverse or modify his previous action specifying his reasons therefor. Whenever the request for a hearing is made within thirty days after the action of the (commissioner) with respect to any filing, the (commissioner) may, pending such hearing and decision thereon, suspend or postpone the effective date of his previous action.

(j) Beginning ninety days after the effective date of this Act no insurer shall make or issue a contract or policy except in accordance with filings which have been approved for said insurers as provided in this Act.

Sec. 5 — RATING ORGANIZATIONS

(a) A corporation, an unincorporated association, a partnership or an individual, whether located within or outside the state, may make application to the (commissioner) for license as a rating organization for such kinds of insurance or subdivisions thereof as are specified in its application and shall file therewith (1) a copy of its constitution, its articles of agreement or association or its certificate of incorporation, and of its by-laws and rules governing the conduct of its business, (2) a list of its members and subscribers, (3) the name and address of a resident of the state upon whom notices or orders of the (commissioner) or process affecting such rating organization may be served and, (4) a statement of its qualification as a rating organization. If the (commissioner) finds that the applicant is competent, trustworthy and otherwise qualified to act as a rating organization, and

that its constitution, articles of agreement or association or certificate of incorporation, and its by-laws and rules governing the conduct of its business, are reasonable and conform to the requirements of law and that the granting of a license is in the public interest, he shall issue a license specifying the kinds of insurance or subdivisions thereof for which the applicant is authorized to act as a rating organization. Every such application shall be granted or denied in whole or in part by the (commissioner) within sixty days of the date of its filing with him. Licenses issued pursuant to this section shall remain in effect for three years unless sooner suspended or revoked by the (commissioner). Any such license may be suspended or revoked by the (commissioner) if he finds, after hearing upon notice, that the constitution, articles of agreement or association or certificate of incorporation or by-laws or rules of the rating organization do not meet the requirements of this Act. The fee for said license shall be (ten dollars). No rating organization shall make rates for risks located in this state without a license.

(b) Each rating organization shall, subject to reasonable rules and regulations, permit any insurer, not a member, to become a subscriber to its rating services for any kind of insurance or subdivision thereof for which it is authorized to act as a rating organization. Each rating organization shall furnish its rating services without discrimination to its members and subscribers. The refusal of any rating organization to admit an insurer as a subscriber shall, at the request of such insured, be reviewed by the (commissioner) at a hearing held upon at least ten days' written notice to such rating organization and such insurer. If the rating organization fails to grant or reject an insurer's application for subscribership within thirty days after it was made, the insurer may request a review by the (commissioner) as if the application had been rejected. If the (commissioner) finds that the insurer has been refused admittance to the rating organization as a subscriber without justification, he shall make an order directing the rating organization to admit the insurer as a subscriber. If he finds that the action of the rating organization was justified, he shall make an order affirming its action. Every rating organization shall notify the (commissioner) promptly of every change in (1) its constitution, its articles of agreement or association or its certificate of incorporation, and its by-laws and rules governing the conduct of its business, (2) its list of members and subscribers and (3) the name or address of the resident of the state designated by it upon whom notices or orders of the (commissioner) or process effecting such rating organization may be served.

(c) No rating organization shall adopt any rule the effect of which would be to prohibit or regulate the payment of dividends, savings or unabsorbed premium deposits allowed or returned by insurers to their policyholders, members or subscribers.

(d) The (commissioner) shall, at least once in five years, make or cause to be made an examination of each rating organization licensed in this state. The reasonable costs of such examination shall be paid by the rating organization examined upon presentation to it of a detailed account of such cost. The officers, managers, agents and employees of such rating organization may be examined at any time under oath and shall exhibit all books, records, accounts, documents or agreements governing its method of operation. The (commissioner) may waive such examination upon proof that such rating organization has, within a reasonably recent period, been examined by the insurance supervisory official of another state, pursuant to the laws of such state, and upon the filing with the (commissioner) of a copy of the report of such examination.

(e) Any rating organization may provide for the examination of policies, daily reports, binders, renewal certificates, endorsements or other evidences of insurance, or the cancellation thereof, upon any or all classes of insurance covered by its license and may make reasonable rules governing their submission. Such rules shall contain a provision that in the event any insurer does not within sixty days furnish satisfactory evidence to the rating organization of the correction of any error or omission previously called to its attention by the rating organization, it shall be the duty of the rating organization to notify the (commissioner) thereof. All information so submitted for examination shall be confidential.

(f) Any rating organization may subscribe for or purchase actuarial, technical and other services.

Sec. 6 — DEVIATIONS

Every member of or subscriber to a rating organization shall adhere to the filings made on its behalf by such organization except that any such insurer may make written application to the (commissioner) for approval on its behalf of a deviation from the rate schedules, forms rating methods or rules respecting a class or classes established by a rating organization of which it is a member or subscriber. Such application shall specify the basis for the modification and a copy thereof shall also be sent simultaneously to such rating organization. The (commissioner) shall set a time and place for a hearing at which the insurer and such rating organization may be heard and shall give them not less than ten days' written notice thereof. In the event the (commissioner) is advised by the rating organization that it does not desire a hearing he may, upon the consent of the applicant, waive such hearing. The (commissioner) shall approve the modification for such insurer if he finds it to be justified. He shall not approve such modification if he finds that the resulting premiums would be inadequate, excessive, unfairly discriminatory or otherwise unreasonable. Each deviation shall be effective for a period of one year from the date of approval unless terminated sooner with the approval of the (commissioner).

Sec. 7 — APPEAL BY MINORITY

Any member of or subscriber to a rating organization may appeal to the (commissioner) from the action or decision of such rating organization in using, interpreting or applying its constitution, articles of agreement or association or certificate of incorporation, or its by-laws or rules or regulations, or in approving or rejecting any proposed change in or addition to the filings of such rating organization and the (commissioner) shall, after a hearing held on not less than ten days' written notice to the appellant and to such rating organization, issue an order affirming, reversing or modifying such action or decision.

Sec. 8 — INFORMATION TO BE FURNISHED INSURED; HEARINGS AND APPEALS OF INSURED

Every rating organization and every insurer which makes its own rates shall, within a reasonable time after receiving written request therefor and upon payment of such reasonable charge as it may make, furnish to any person affected by a rate made by it, or to the authorized representative of such person, all pertinent information as to such rate.

Every rating organization and every insurer which makes its own rates shall provide within this state reasonable means whereby any person aggrieved by the application of its rating system may be heard, in person or by his authorized representative, on his written request to review the manner in which such rating system has been applied in connection with the insurance afforded him. If the rating organization or insurer fails to grant or reject such request within thirty days after it is made, the applicant may proceed in the same manner as if his application had been rejected. Any party affected by the action of such rating organization or such insurer on such request may, within thirty days after written notice of such action, appeal to the (commissioner), who, after a hearing held on not less than ten days' written notice to the appellant and to such rating organization or insurer, may affirm, reverse or modify such action.

Sec. 9 — RATE ADMINISTRATION

(a) *Recording and Reporting of Loss and Expense Experience*

The (commissioner) shall promulgate reasonable rules and statistical plans, reasonably adapted to each of the rating systems approved by him, which may be modified from time to time and which shall be used thereafter by each insurer in the recording and reporting of its loss and expense experience in order that the loss and expense experience of all insurers may be made available at least biennially in such form and detail as may be necessary to aid him in determining whether rating systems comply with the standards set forth in Section 3. In promulgating such rules and plans, the (commissioner) shall give due consideration to the rating systems approved by him and, in order that such rules and plans may be as uniform as is practicable among the several states, to the rules and to the form of the plans used

for such rating systems in other states and countrywide. No insurer shall be required to record or report its loss experience on a classification basis that is inconsistent with the rating system approved for its use. The (commissioner) may designate one or more rating organizations or other agencies to assist him in gathering such experience and making compilations thereof, and such compilations shall be made available, subject to reasonable rules promulgated by the (commissioner) to insurers and rating organizations.

(b) Interchange of Rating Plan Data

Reasonable rules and plans may be promulgated by the (commissioner) for the interchange of loss and expense experience necessary for the application of rating plans.

(c) Consultation with Other States

In order to further uniform administration of rating laws, the (commissioner) and every insurer and rating organization may exchange information and experience data with insurance supervisory officials, insurers and rating organizations in other states and may consult and cooperate with them with respect to ratemaking and the application of rating systems.

(d) Rules and Regulations

The (commissioner) may make reasonable rules and regulations necessary to effect the purposes of this Act.

Sec. 10 — FALSE OR MISLEADING INFORMATION

The wilful withholding of information from, or the giving of false or misleading information to the (commissioner) or to any statistical agency designated by the (commissioner) or to any rating organization or to any insurer which will in any way affect the rates or premiums chargeable under this Act shall constitute a violation of this Act and shall subject the one guilty of such violation to the penalties provided for in Section 11 of this Act.

Sec. 11 — PENALTIES

The (commissioner) may, if he finds that any person or organization has violated any provision of this Act, impose a penalty of not more than \$250 for each such violation, but if he finds such violation to be wilful he may impose a penalty of not more than \$1,000 for each such violation. Such penalties may be in addition to any other penalty provided by law.*

The (commissioner) may suspend the license of any rating organization or insurer which fails to comply with an order of the (commissioner) within the time limited by such order, or any extension thereof which the (commissioner) may grant. The (commissioner) shall not suspend the license of any rating organization or insurer for failure to comply with an order until the time prescribed for an appeal therefrom has expired or, if an appeal has been taken, until such order has been affirmed. The (commissioner) may determine when a suspension of license shall become effective and it shall remain in effect for the period fixed by him, unless he modifies or rescinds such suspension, or until the order upon which such suspension is based is modified, rescinded or reversed.

No penalty shall be imposed and no license shall be suspended or revoked except upon a written order of the (commissioner), stating his findings, made after a hearing held upon not less than ten days' written notice to such person or organization specifying the alleged violation.

Sec. 12 — HEARING PROCEDURE AND JUDICIAL REVIEW†

(a) Any insurer or rating organization aggrieved by any order or decision of the (commissioner) made without a hearing, may, within thirty days after notice of the order to the insurer or organization, make written request to the (commissioner) for a hearing thereon. The (commissioner) shall hear such party or parties within thirty days after receipt of such request and shall give not less than fifteen days' written notice of the time and place of the hearing. Within thirty days after such hearing the (commissioner) shall affirm, reverse or modify his previous action,

* In some states the imposition of fines by administrative officers is prohibited by basic law. It may be necessary to modify the Act to provide for the imposition of fines and penalties by some other appropriate state authority.

† Consideration should be given to the practice and procedure in each state.

specifying his reasons therefor. Pending such hearing and decision thereon the (commissioner) may suspend or postpone the effective date of his previous action.

(b) Nothing in this Act contained shall require the observance at any hearing of formal rules of pleading or evidence.

(c) The findings, determinations and orders of the (commissioner) made after notice and hearing, pursuant to this Act, shall be subject to judicial review. Such appeal shall be heard on the record made before the (commissioner). The decision of the (commissioner) shall be final as to all questions of fact where supported by substantial evidence but shall not be final as to questions of law. The court shall determine whether the filing of an appeal shall operate as a stay and may in disposing of the issue before it modify, affirm or reverse the order of the (commissioner) in whole or in part.

Sec. 13 — LAWS REPEALED

Sections of the statutes of this state are hereby repealed. All other laws or parts of laws inconsistent with the provisions of this Act are hereby repealed.

Sec. 14 — CONSTITUTIONALITY

If any section, subsection, subdivision, paragraph, sentence or clause of this Act is held invalid or unconstitutional, such decision shall not affect the remaining portions of this Act.

Sec. 15 — EFFECTIVE DATE

This Act shall take effect. *

ADDITIONAL SECTION RECOMMENDED FOR STATE WHICH HAS INADEQUATE ANTI-REBATE LAW OR HAS NO SUCH LAW

Sec. () — REBATES PROHIBITED

No insurer or employee thereof, and no broker or agent shall knowingly charge, demand or receive a premium for any policy of insurance except in accordance with the applicable filing approved by the (commissioner). No insurer or employee thereof, and no broker or agent shall pay, allow, or give, or offer to pay, allow, or give, directly or indirectly, as an inducement to insurance, or after insurance has been effected, any rebate, discount, abatement, credit, or reduction of the premium named in a policy of insurance, or any special favor or advantage in the dividends or other benefits to accrue thereon, or any valuable consideration or inducement whatever, not specified in the policy of insurance. No insured named in a policy of insurance, nor any employee of such insured shall knowingly receive or accept, directly or indirectly, any such rebate, discount, abatement, or reduction of premium, or any special favor or advantage or valuable consideration or inducement. Nothing herein contained shall be construed as prohibiting the payment of commissions or other compensation to duly licensed agents and brokers, nor as prohibiting any participating insurer from distributing to its policyholders dividends, savings or the unused or unabsorbed portion of premiums and premium deposits.

As used in this section the word "insurance" includes suretyship and the word "policy" includes bond.

Nov. 17, 1945

* The effective date of this Act should be set sufficiently ahead to allow the insurance department, the companies and the rating organizations to prepare themselves with necessary personnel and procedures to carry out the purposes of the Act. It is recommended that such effective date should be not earlier than January 1, 1947.

APPENDIX C

REPORT OF SUBCOMMITTEE TO THE
SPECIAL COMMITTEE APPOINTED TO CONSIDER DISLOCATIONS
BROUGHT ABOUT BY UNITED STATES SUPREME COURT DECISION

On March 9, 1945, the President signed the following Act of Congress (Public Law 15 — 79th Congress):

"Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Congress hereby declares that the continued regulation and taxation by the several States of the business of insurance is in the public interest, and that silence on the part of the Congress shall not be construed to impose any barrier to the regulation or taxation of such business by the several States.

"Sec. 2. (a) The business of insurance, and every person engaged therein, shall be subject to the laws of the several States which relate to the regulation or taxation of such business.

"(b) No Act of Congress shall be construed to invalidate, impair, or supersede any law enacted by any State for the purpose of regulating the business of insurance, or which imposes a fee or tax upon such business, unless such Act specifically relates to the business of insurance: Provided, That after January 1, 1948, the Act of July 2, 1890, as amended, known as the Sherman Act, and the Act of October 15, 1914, as amended, known as the Clayton Act, and the Act of September 26, 1914, known as the Federal Trade Commission Act, as amended, shall be applicable to the business of insurance to the extent that such business is not regulated by State law.

"Sec. 3. (a) Until January 1, 1948, the Act of July 2, 1890, as amended, known as the Sherman Act, and the Act of October 15, 1914, as amended, known as the Clayton Act, and the Act of September 26, 1914, known as the Federal Trade Commission Act, as amended, and the Act of June 19, 1936, known as the Robinson-Patman Antidiscrimination Act, shall not apply to the business of insurance or to acts in the conduct thereof.

"(b) Nothing contained in this Act shall render the said Sherman Act inapplicable to any agreement to boycott, coerce, or intimidate, or act of boycott, coercion, or intimidation.

"Sec. 4. Nothing contained in this Act shall be construed to affect in any manner the application to the business of insurance of the Act of July 5, 1935, as amended, known as the National Labor Relations Act, or the Act of June 25, 1938, as amended, known as the Fair Labor Standards Act of 1938 or the Act of June 5, 1920, known as the Merchant Marine Act, 1920.

"Sec. 5. As used in this Act, the term 'State' includes the several States, Alaska, Hawaii, Puerto Rico, and the District of Columbia.

"Sec. 6. If any provision of this Act, or the application of such provision to any person or circumstances, shall be held invalid, the remainder of the Act, and the application of such provision to person or circumstances other than those as to which it is held invalid, shall not be affected."

The Act has two distinct objectives:

(a) *Congress endeavors to preserve State regulation and taxation of insurance.*

Under the Supreme Court decision, insurance transactions crossing State lines constitute interstate commerce. State control over insurance is endangered because the Constitution (Article I, Section 8) vests the regulation of interstate commerce in Congress. In the first Section of the Act and in Section 2(a), Congress expressly declares its willingness that the States may regulate insurance. The efficacy of Congressional permission to validate State action otherwise invalid will be discussed later.

(b) *Congress seeks to define the applicability of present and future federal laws to insurance.*

Under the Supreme Court decision the insurance business became subject to all laws that have been, or may hereafter be, passed by Congress applicable to interstate commerce. Federal laws that have caused the most serious concern to the insurance industry since the Supreme Court decision are: (a) the Sherman Act, (b) the Clayton Act, (c) the Federal Trade Com-

mission Act, and (d) the Robinson-Patman Act. Congress gives no uniform prescription for the treatment of these statutes. Under Section 3(a) of the Act, insurance is exempted from the Sherman Act, the Clayton Act, the Federal Trade Commission Act and the Robinson-Patman Act until January 1, 1948, but Section 3(b) materially qualifies the inapplicability of the Sherman Act by making it applicable at all times to any agreement to boycott, coerce or intimidate or act of boycott, coercion or intimidation. The Act expressly provides in Section 2(b) that after January 1, 1948, the Sherman Act, the Clayton Act, and the Federal Trade Commission Act shall be applicable to the business of insurance to the extent that such business is not regulated by State law. The Act is silent with respect to the applicability of the Robinson-Patman Act after January 1, 1948. Section 4 of the Act states that nothing contained in the Act shall be construed to affect the application to the business of insurance of the National Labor Relations Act, or the Fair Labor Standards Act of 1938, or the Merchant Marine Act, 1920.

The purpose of the moratorium is not stated in the Act. However, on March 10, 1945, the President issued the following statement:

"I have given my approval to S. 340, the insurance bill, which passed the Congress last week. This bill grants the insurance business a moratorium from the application of the antitrust laws and certain related statutes, except for agreements to boycott, coercion or intimidation, [sic] or acts of boycott, coercion, or intimidation, until January 1, 1948. The purpose of this moratorium period is to permit the States to make necessary readjustments in their laws with respect to insurance in order to bring them into conformity with the decision of the Supreme Court in the Southeastern Underwriters case."

What are the necessary readjustments in State laws that must be made during the moratorium period? The answer will be determined in large measure by an examination of the Sherman Act, the Clayton Act, the Federal Trade Commission Act and the Robinson-Patman Act. The impact of these federal statutes upon insurance after January 1, 1948 will determine the quantum and quality of State legislation that must be enacted before the expiration of the moratorium.

SHERMAN ACT

Provisions — The Sherman Act punishes by fine not exceeding \$5,000 or by imprisonment not exceeding one year, or by both, every person who shall make any contract or engage in any combination or conspiracy in restraint of trade or commerce among the several States, or who shall monopolize, or attempt or combine or conspire to monopolize any part of such trade or commerce. The person injured by reason of anything forbidden in the antitrust laws may sue therefor and shall recover threefold the damages sustained.

Impact upon insurance — The legislative proposal submitted to Congress by the National Association of Insurance Commissioners listed seven requisite insurance activities involving agreements or concerted or cooperative action:

1. Rate making, including forms and underwriting rules.
2. Use of uniform rates, forms, and rules.
3. Loss adjustment and inspection service.
4. Underwriting and reinsurance pools.
5. Payment of commissions.
6. Pooling of statistics.
7. Rate making, including rules or plans, under agreement that the use is not mandatory.

The proposed legislation protected these activities from the impact of the Sherman Act by placing the last five unconditionally beyond the scope of that Act and by subjecting the first two to State regulation. It is impossible to catalogue all the essential insurance activities involving concerted action but at least the following might be added to the Commissioners' list: appointment of agents, audits and collection of premiums, accident or fire prevention, collection of salvage, and the use of policy provisions and endorsements.

Legislative relief — Section 2(b) of the Act of Congress provides that after January 1, 1948, the Sherman Act shall be applicable to the business of insurance *to the extent that such business is not regulated by State law.** The meaning is definite and unequivocal: insurance activities within the orbit of the Sherman Act must be discontinued or must be regulated by State law.

Suppose the States simply enact antitrust laws. This offers no solution to the problem of safeguarding insurance activities where concerted action is necessary: it merely transfers enforcement from one authority to forty-eight.

Suppose the States enact mild or even nominal regulatory laws. The insurance activities thus regulated might be released from the impact of the Sherman Act under Section 2(b) of the Act of Congress.²

But this form of innocuous State regulation may precipitate federal regulation. The Administration has served notice that it will tolerate nothing less than effective and affirmative regulation. On January 2, 1945, the President wrote to Senator Radcliffe:

"But there is no conflict between the application of the antitrust laws and effective State regulation of insurance companies. . . . The antitrust laws do not conflict with affirmative regulation of insurance by the States such as agreed insurance rates if they are affirmatively approved by State officials."

On March 10, 1945, the President issued the following statement:

"After the moratorium period, the antitrust laws and certain related statutes will be applicable in full force and effect to the business of insurance except to the extent that the States have assumed the responsibility, and are effectively performing that responsibility, for the regulation of whatever aspect of the insurance business may be involved. . . . Congress did not intend to permit private rate fixing, which the Antitrust Act forbids, but was willing to permit actual regulation of rates by affirmative action of the States."

Attorney General Biddle stated in the *Congressional Record* of June 23, 1944, that the States must fix or approve insurance rates and that mere State permission without the exercise of control is inimical to the public interest. Administration

*It must be borne in mind that if there is any agreement to boycott, coerce, or intimidate, or act of boycott, coercion, or intimidation, the Sherman Act is applicable at all times and unconditionally. This provision is contained in Section 3(b) of the Act.

¹This view was expressed in the Senate debate on the Conference Report:

"MR. MURDOCK: Mr. President, does the Senator from Maine take the position that, under the conference report, it becomes necessary for the Congress to act again affirmatively, subsequent to any State action taken?"

"MR. WHITE: Not at all; that is not my view of the matter at all. My view is that the State may regulate. If however, the State goes only to the point indicated, then these Federal statutes apply throughout the whole field beyond the scope of the State's activity."

"MR. McCARRAN: That is a correct statement."

Congressional Record, February 26, 1945 — page 1472.

"MR. FERGUSON: In other words, under the terms of the bill, there are six things on which a State could not legislate. They are boycott, coercion, or intimidation, or agreements to boycott, coerce, or intimidate. But with respect to anything else, if the States were specifically to legislate upon a particular point, and that legislation were contrary to the Sherman Act, the Clayton Act, or the Federal Trade Commission Act, then the State law would be binding. That is exactly what we attempted to do in the bill."

Congressional Record, February 27, 1945 — page 1551.

²Various opinions about this were expressed in the Senate debate on the Conference Report:

"MR. PEPPER: I shall not consent to postponing until January 1, 1948 the effective date of the law, and according to the States the privilege of enacting some mild form of legislation which they may call regulatory, thereby defeating the purpose of the Supreme Court decision and defeating the Act itself."

Congressional Record, February 26, 1945 — page 1471.

"MR. O'MAHONEY: I have no doubt in my own mind that no State, under the terms of the Conference Report, could give authority to violate the Sherman Antitrust law."

Congressional Record, February 27, 1945 — page 1550.

"MR. PEPPER: If the States regulate or legislate on the subject by saying that it is all right for insurance companies to belong to a rating bureau, and it is all right for the companies, through that rating bureau, to fix rates, then is not that State legislation on the subject? Is not that State regulation of the companies?"

Congressional Record, February 27, 1945 — page 1551.

"MR. BARKLEY: I should like to ask, in this connection, whether, where States attempt to occupy the field — but do it inadequately — by going through the form of legislation so as to deprive the Clayton Act, the Sherman Act, and the other acts of their jurisdiction, it is the Senator's interpretation of the conference report that in a case of that kind, where the legislature fails adequately even to deal with the field it attempts to cover these acts still would apply?"

"MR. McCARRAN: That is my interpretation."

Congressional Record, February 26, 1945 — page 1473.

leaders in the Congress have warned that Congress will regulate the insurance business if State regulation is inadequate or ineffectual.³

What does the Administration mean by *affirmative and effective regulation of insurance by the States*? The statement of the Attorney General leaves no doubt of what is demanded by the Administration in the matter of rate regulation to relieve insurance rate agreements or combinations from the impact of the Sherman Act: (a) The States must fix or approve rates, and (b) the States must not permit rates to be fixed without exercising control. If the insurance industry is to escape the free and unbridled rate competition demanded by the Sherman Act, it seems clear that rates must, at the very least, be approved as in the public interest by some public authority. Likewise, with respect to other essential insurance activities⁴ involving prohibited concerted action, it seems equally certain that the Administration will maintain that the Sherman Act will be applicable to each such activity to the extent that the activity is not approved in similar fashion by some public authority.

CLAYTON ACT

Provisions — The Clayton Act makes unlawful; (a) the sale of goods, wares, merchandise, or other commodities on condition that the purchaser will not deal in the goods, wares, merchandise, or other commodities of a competitor, where the effect may be to substantially lessen competition, or to restrain commerce, or tend to create a monopoly; (b) the acquisition by a corporation engaged in commerce of stock of another corporation engaged in commerce, where the effect may be to substantially lessen competition, or to restrain commerce, or tend to create a monopoly; or the acquisition by a corporation of stock of two or more corporations engaged in commerce, where the effect may be to substantially lessen competition, or to restrain commerce, or tend to create a monopoly; (c) interlocking directorates among competitor corporations engaged in commerce, where the elimination of competition among them by agreement would violate the antitrust laws. Authority to enforce compliance with these sections of the Clayton Act is vested in the Federal Trade Commission. In addition the person injured by reason of anything forbidden may sue therefor and shall recover threefold the damages sustained.

Impact upon insurance — The provisions of the Clayton Act relating to stock acquisition and interlocking directorates are clearly applicable to insurance com-

³ This warning was given several times during the Senate debate on the Conference Report:

"MR. BARKLEY: But I wish it to be understood that in voting for approval of the conference report I am accepting the interpretation placed upon it by the conferees, namely, that if any State, through its legislature, undertakes to go through the form of regulation merely in order to put insurance companies within that State on an island of safety from congressional regulation, that effort will be futile, and not only can Congress deal with any phase of the insurance business not dealt with by a State legislature, but even in a case in which a State legislature deals with any phase of it, but does not deal with it adequately in the opinion of Congress, Congress is not in any way barred by the conference report from dealing with that subject and with the phase of it which Congress deems to have been inadequately dealt with by the State; so that hereafter we can enact such legislation as we may deem proper and wise to have enacted in connection with the regulation of this business, which clearly is interstate commerce."

Congressional Record, February 27, 1945 — page 1558.

Senator O'Mahoney stated in the United States Investor of March 10, 1945:

"The bill is a declaration that the States may regulate the insurance business in the public interest, but if they should fail, Congress will do it."

Senator McCarran, Chairman of the Senate Judiciary Committee, stated on March 19, 1945:

"Public Law 15 (S. 340) should not be regarded as the last word on this important subject. It is not a panacea. We can only wait now for action by the States. I have always believed, and I still believe, that the sovereign States — and they are sovereign — are capable of adequately regulating the insurance business."

Congressman Sumners, Chairman of the House Judiciary Committee, stated on March 10, 1945:

"It seems clear to me that in order for the States to have a chance to retain that control, they must demonstrate their ability properly to govern the business of insurance."

In the Report of January 24, 1945 recommending the passage of the insurance bill (S. 340), the Senate Judiciary Committee stated:

"What is more, the Congress proposes by this bill to secure adequate regulation and control of the insurance business."

⁴ See activities listed above on page 4.

panies. The applicability of tying contracts depends upon whether "goods, wares, merchandise, or other commodities" include insurance.⁵

Legislative relief — Section 2(b) of the Act of Congress provides that after January 1, 1948, the Clayton Act shall be applicable to the business of insurance to the extent that such business is not regulated by State law. After the moratorium, insurance activities violative of the Clayton Act must be discontinued or must be regulated by State law. Regulation by State law means to the Administration affirmative and effective regulation, which, as was pointed out above in discussing the Sherman Act, means, at the very least, approval of the insurance activity by some public authority. Thus, activities within the orbit of the Clayton Act must, in the view of the Administration, be approved in similar fashion. The intricate nature of some of these activities, such as stock acquisition in connection with "fleet" operations, will require careful study of the whole problem before State regulatory laws can be drafted.

FEDERAL TRADE COMMISSION ACT

Provisions — "Unfair methods of competition in commerce, and unfair or deceptive acts or practices in commerce, are hereby declared unlawful." The Federal Trade Commission is directed to issue cease and desist orders against persons using such methods of competition or such acts or practices. The penalty for violating final orders is \$5,000 for each violation. The Commission is also empowered to investigate the conduct, practices, and management of any corporation engaged in commerce, to require it to file answers under oath to questionnaires, and to investigate alleged violations of the antitrust Acts.

Impact upon insurance — It is impossible to forecast what will be deemed by the Federal Trade Commission unfair methods of competition or unfair practices in the conduct of the insurance business. "The Commissioners, representing the government as *parens patriae*, are to exercise their common sense," said the Court in the case of *Sears, Roebuck and Co. vs. Federal Trade Commission*, 258 Fed. 307. The Federal Trade Commission Act does not attempt to define the scope of unfair methods of competition or unfair practices.⁶

Legislative relief — After January 1, 1948, the Federal Trade Commission Act will be applicable to the business of insurance to the extent that such business is not regulated by State law. To relieve insurance from the impact of the Federal Trade Commission Act, each of the forty-eight States must regulate by law, affirmatively and effectively, unfair methods of competition in insurance and unfair or deceptive acts or practices in insurance. There is no alternative. Since it is inconceivable that any State would regulate by *approving* unfair methods and unfair practices, this would mean the enactment in every State of laws against unfair methods of competition in insurance and of unfair or deceptive acts or practices in insurance. It would mean that the supervising authority of each State must be given powers such as those conferred upon the Federal Trade Commission.⁷

⁵ The authorities are divided upon whether insurance is a commodity.

"Insurance is not a commodity under Rev. St. 1911, art. 7798, subd. 1, Vernon's Ann. Civ. St. art. 7428, subd. 1, prohibiting any agreement to refuse to buy from or sell to any other person any article of merchandise, produce, or commodity. *Palatine Ins. Co. v. Griffin*, 202 S. W. 1014, 1022 (Tex.)."

"Commodity" is defined to be that which affords advantage, profit, or convenience; and hence insurance is a commodity, within the provisions of McLain's Code, sec. 5454, prohibiting combinations to fix the price of oil, lumber, etc., or other commodity. *Beechley v. Mulville*, 70 N. W. 107, 109, 102 Iowa, 602."

Vol. 7 Words & Phrases — page 844.

⁶ "What shall constitute unfair methods of competition denounced by the act, is left without specific definition. Congress deemed it better to leave the subject without precise definition, and to have each case determined upon its own facts, owing to the multifarious means by which it is sought to effectuate such schemes."

Federal Trade Commission v. Beech-Nut Packing Co., 42 Sup. Ct. 150.

"Phrase 'unfair methods of competition' within this section has broader meaning than common-law term 'unfair competition,' but its scope cannot be precisely defined, and what constitutes 'unfair methods of competition' must be determined in particular instances, upon evidence, in light of particular competitive conditions and of what is found to be a specific and substantial public interest. *A. L. A. Schechter Poultry Corporation v. U. S.*, N. Y. 1935, 55 S. Ct. 837, 295 U. S. 495, 79 L. Ed. 1570, 97 A. L. R. 947."

Title 15 U. S. C. A., Section 45 — Note 32.

⁷ It should be noted that (1) the Federal Trade Commission cannot be divested by State law of its power to investigate alleged agreements to boycott, coerce, or intimidate or acts of boycott, coercion, or intimidation; and (2) the Federal Trade Commission cannot be divested by State law of its authority to enforce the Clayton Act and the Robinson-Patman Act merely by making the Federal Trade Commission Act inapplicable to insurance.

ROBINSON-PATMAN ACT

Provisions — The Robinson-Patman Act makes unlawful: (a) discrimination in price between like commodities, where the effect of such discrimination may be substantially to lessen competition or tend to create a monopoly; (b) the payment of brokerage or commission, in connection with the sale of goods, wares, or merchandise, by one party to the other party or to the other party's agent; (c) discrimination in payment for services or in furnishing services in connection with the sale of commodities; (d) discrimination in discounts or rebates in connection with the sale of goods. Any person guilty of violating the above provision (d) is punishable by a fine not exceeding \$5,000 or imprisonment not exceeding one year, or both. Authority to enforce compliance with the above provisions (a), (b), and (c) is vested in the Federal Trade Commission. In addition the person injured by reason of violations of the Robinson-Patman Act may sue therefor and shall recover threefold the damages sustained.

Impact upon insurance — The applicability of the Robinson-Patman Act to insurance depends upon whether goods, wares, merchandise, or commodities include insurance. The Courts are divided upon the question whether insurance is a commodity.⁸ Section 3(a) of the Act of Congress declares that the Robinson-Patman Act shall not apply to the business of insurance until January 1, 1948. The legislative proposal submitted to Congress by the National Association of Insurance Commissioners and the recent bills recommended by the Senate Judiciary Committee (S. 340) and by the House Judiciary Committee (H. R. 1973) contained express declarations exempting insurance from the Robinson-Patman Act. All this legislative effort may be significant of nothing except excessive caution; but it indicates that the applicability of the Robinson-Patman Act to insurance is not free from doubt.⁹

Legislative relief — Section 3(a) of the Act of Congress expressly provides that that the Sherman Act, the Clayton Act, the Federal Trade Commission Act and the Robinson-Patman Act shall not apply to insurance until January 1, 1948. Section 2(b) of the Act declares that no Act of Congress shall be construed to invalidate, impair, or supersede any law enacted by any State for the purpose of regulating or taxing insurance, with the proviso that after January 1, 1948, the Sherman Act, the Clayton Act, and the Federal Trade Commission Act shall be applicable to the extent that insurance is not regulated by State law. This omission of the Robinson-Patman Act from the proviso of Section 2(b) has been interpreted to mean that Congress intended to relieve insurance from the impact of the Robinson-Patman Act after the expiration of the moratorium.¹⁰ A sounder inter-

⁸ See Note 5 above on page 10.

⁹ There is no doubt that some members of Congress believe that the Robinson-Patman Act applies to insurance. Some of those members fought the effort to exempt insurance permanently from the Robinson-Patman Act:

"MR. KEFAUVER: I doubt if the members of Congress should, without giving the question fuller consideration, permanently exempt insurance from the provisions of the Federal Trade Commission Act and the Robinson-Patman Act."

Congressional Record, February 14, 1945 — Page 1120.

"MR. HANCOCK: The decision makes insurance interstate commerce, and therefore subject to all the statutes we have enacted dealing with interstate commerce. There are four, I believe: The Federal Trade Commission Act, the Patman Antidiscrimination Act, the Clayton Act, and the Sherman Act."

Congressional Record, February 14, 1945 — Page 1115.

¹⁰ This interpretation is indicated in statements made during the Senate debate on the Conference Report that present or future federal laws (other than the Sherman Act, the Clayton Act, and the Federal Trade Commission Act) do not apply to insurance unless they specifically relate to the business of insurance:

"MR. FERGUSON: I think it should be added in reply to the Senator from Kentucky (MR. BARKLEY) that there is no attempt here to have Congress throttled in the future in acting upon insurance legislation. Subsection (b) of section 2 provides that if Congress does act, the act shall specifically relate to the business of insurance.

"MR. O'MAHONEY: That is correct.

"MR. FERGUSON: What we have in mind is that the insurance business, being interstate commerce, if we merely enact a law relating to interstate commerce, or if there is a law now on the statute books relating in some way to interstate commerce it would not apply to insurance. We wanted to be sure that the Congress, in its wisdom, would act specifically with reference to insurance in enacting the law.

"MR. O'MAHONEY: In other words, no existing law and no future law should, by mere implication, be applied to the business of insurance.

"MR. FERGUSON: That is correct.

"MR. O'MAHONEY: That was the understanding."

Congressional Record, February 27, 1945 — page 1558.

pretation is that the Robinson-Patman Act is within the first part of Section 2(b), which reads:

"No Act of Congress shall be construed to invalidate, impair, or supersede any law enacted by any State for the purpose of regulating the business of insurance, or which imposes a fee or tax upon such business, unless such Act specifically relates to the business of insurance. . . ."

Despite the statements during the Senate debate¹⁰ that this provision means "No Act of Congress shall *apply* to insurance unless such Act specifically relates thereto," the language is unambiguous and must be given its plain and obvious meaning, namely: the rule of construction with respect to Acts of Congress (other than the Sherman Act, the Clayton Act, and the Federal Trade Commission Act) shall be that State insurance laws are supreme unless the Acts of Congress specifically relate to insurance. This means that Section 2(b) of the Act will relieve insurance from the impact of the Robinson-Patman Act if the laws of each State cover the insurance activities that violate the Robinson-Patman Act.¹¹

Therefore, the conclusion seems sound that insurance activities violative of the Robinson-Patman Act must be discontinued or must be regulated by State Law.¹² Regulation by State law means to the Administration affirmative and effective regulation, which, as was pointed out above in discussing the Sherman and Clayton Acts, means, at the very least, approval of the insurance activity by some public authority. Thus, activities within the orbit of the Robinson-Patman Act must, in the view of the Administration, be approved in similar fashion.

STATE LAWS

"If a State enactment imposes a direct burden upon interstate commerce," says the Supreme Court,¹³ "it must fall." For example, the regulation of the rates to be charged for the carriage of goods and passengers is one of the most direct modes of regulating transportation. And it was held, before Congress had passed any act to regulate interstate rates, that a State could not pass such a statute, even for that portion of an interstate journey that lay within or through the State.¹⁴ Another illustration of direct burden is the requirement that an out-of-State company must take out a license for the privilege of carrying on the business of interstate commerce within the State. "A State law," says the Supreme Court, "is unconstitutional and void which requires a party to take out a license for carrying on interstate commerce, no matter how specious the pretext may be for imposing it."¹⁵

¹¹ This is the interpretation placed upon this provision in the Memorandum of Explanation of Proposed Text of Legislation by the National Association of Insurance Commissioners:

"This subsection further implements the earlier expression of the Congressional policy and will, and is designed to eliminate or at least minimize conflict between State laws and existing or future acts of Congress, and perhaps more important, to furnish a guide to the courts in any litigation which may ensue as to just what the Congress intended."

¹² This conclusion is also reached by the Subcommittee on Federal Legislation of the Executive Committee of the National Association of Insurance Commissioners but by a different process of reasoning:

"The specific mention of the Robinson-Patman Act in Section 3-a suggests, or at least it can be so argued, that Congress intended that after January 1, 1948, that act should apply to the insurance business without limitation of any kind. On the contrary, the provision in Section 2-b that the Clayton Act, of which part of the Robinson-Patman Act is a part, shall be applicable to the business of insurance to the extent that such business is not regulated by state law, suggests that after January 1, 1948 the Robinson-Patman Act, or at least part of it, shall be in the same category as the Federal Trade Commission Act."

¹³ *The Minnesota Rate Cases*, 230 U. S. 352.

¹⁴ *Wabash, St. Louis & Pacific R. Co. v. Illinois*, 118 U. S. 557.

This rule applies to public utility rates:

"The leading case from the point of view of the state of destination is *Missouri v. Kansas Natural Gas Co.*, 265 U. S. 298. The business of the Gas Company was conceded to be almost wholly interstate commerce, transporting natural gas by pipe lines from the source of supply in Oklahoma into Kansas and Missouri and there selling and delivering it in wholesale quantities to local distributing companies supplying consumers in numerous communities in both states. Contrary to the attitude of the Kansas Supreme Court, the Supreme Court of the United States took the position that such sales were inseparable parts of a transaction in interstate commerce essentially national in character, and that the enforcement by the state of a selling price placed a direct burden upon such commerce 'inconsistent with that freedom of interstate trade which it was the purpose of the commerce clause to secure and preserve'."

18 *Minn. Law Review* 681.

¹⁵ *Crutcher v. Kentucky*, 141 U.S. 47.

In the first Section of the Act and in Section 2(a), Congress endeavors to rescue direct-burdening insurance statutes by expressly declaring that (a) the regulation and taxation of insurance by the States is in the public interest, (b) the silence of Congress does not imply that insurance must be free from State regulation, and (c) insurance shall be subject to State laws. The theory of Congressional permission for State regulation of interstate commerce, which, in the absence of permission, the States could not validly regulate, is this: the States have a power to regulate interstate commerce which is concurrent with that of Congress but its exercise is dependent upon the will of Congress, express or implied; the silence of Congress implies that the interstate commerce shall be free from State regulation;¹⁶ the express consent of Congress to State action negatives this implication and enables the State to exercise its commerce power. The theory has judicial sanction based on expressions found in Supreme Court decisions and is supported by eminent authorities on constitutional law.¹⁷

But other authorities assert that Congress cannot enable the States to take action with respect to interstate commerce which otherwise they could not validly take. There are many decisions of the Supreme Court holding that the power of Congress to regulate interstate commerce is exclusive. That must mean that the States do not have concurrent power.¹⁸ Among the decisions is:

"It has been frequently decided in this Court that the right to regulate interstate commerce is, by virtue of the Federal Constitution, exclusively vested in the Congress of the United States. The state cannot pass any law directly regulating such commerce. Attempts to do so have been declared unconstitutional in many instances, and the exclusive power in Congress to regulate such commerce uniformly maintained."

Southern R. Co. v. King, 217 U. S. 524

It is impossible to forecast what decision the present Supreme Court will make on the validity of insurance laws that burden interstate commerce.¹⁹

The importance of the decision to insurance cannot be overestimated.

To validate State laws by Congressional permission is one of the two objectives of the Act of Congress. The other objective is to define the applicability of present and future federal laws to insurance.

This Report is an endeavor to interpret these objectives and to point the necessary readjustments in the light of this interpretation.

Respectfully submitted,

JOHN M. McFALL, *Chairman*
J. STUART GALLOWAY
RAY MURPHY
EDWARD C. STONE

March 28, 1945.

¹⁶ There are violent critics of this doctrine of silence.

"The 'psycho-analysis' of Congress is a perilous venture when that body speaks and is a hopeless task when it is silent. It would seem that the only sensible course is to hold that when Congress says nothing it means what it says."

The Negative Implications of the Commerce Clause by John B. Sholley 3 *University of Chicago Law Review* 588.

¹⁷ *Interstate Commerce and State Power* by Noel T. Dowling, 27 *Virginia Law Review* 1.

¹⁸ Obviously, if the State does not have power, Congress cannot delegate it.

"Congress cannot transfer its legislative power to the states — by nature this is non-delegable."

Knickerbocker Ice Co. v. Stewart, 40 Sup. Ct. 438.

¹⁹ "Would the present regime of state regulation be entirely secure against constitutional attack (as a regulation of interstate commerce) if Congress were to declare, by appropriate legislation, that the regulation of the insurance business in all of its phases (except where, as in the case of the National Labor Relations Act, a federal statute is directly applicable) is to be governed by the laws of the several states? Some authority may be found for the view that such Congressional abdication would be persuasive, though none to show that it would be conclusive upon the Supreme Court."

The Future of State Supervision of Insurance by Edwin W. Patterson
Address before the American Bar Association, September, 1944.

An excellent appraisal of the present attitude of the Supreme Court is found in *Federal Cooperation with the States under the Commerce Clause* by Kallenbach, page 378:

"The question may well be raised whether the Court will not eventually abandon the practice of over-throwing state legislation on the ground of invasion of an exclusive, but unexercised, federal power over commerce, and come to rely wholly upon positive declarations by Congress either sanctioning or prohibiting state action as a basis for determining the scope of state authority over commerce. Evidences of a readiness by some members of the present Court to adopt such an attitude toward an ever-widening range of subject matters are clearly discernible, but it is improbable that the Court will soon concede to Congress complete responsibility in this regard."

APPENDIX D

REPORT ON THE MISSOURI RATE CASES BY DEPUTY SUPERINTENDENT BOHLINGER TO SUPERINTENDENT DINEEN OF NEW YORK

November 28, 1945

Pursuant to your instructions I have made an investigation into the circumstances surrounding the settlement in 1935 of the Missouri rate cases which were then pending before a Statutory Court in the United States District Court for the Western District of Missouri, Central Division. In connection with my investigation I examined the original court records in the office of the clerk as well as the testimony bearing on the manner in which the settlement was handled and the means pursued in raising the moneys which were used to bribe an official of the State of Missouri and others. I have likewise examined the records in the office of the Clerk of the Supreme Court of the State of Missouri relative to quo warranto proceedings brought against the fire insurance companies involved in the rate cases in which the bribery occurred. These quo warranto proceedings are now pending and undisposed of. Reference to the litigation still pending will be made hereinafter.

Voluminous briefs as submitted to various appellate courts have likewise been studied.

The Missouri rate cases, sometimes referred to as the "Missouri Compromise," had their origin in 1922. In October of that year the then Superintendent of Insurance for the State of Missouri ordered a 10% reduction in fire and windstorm rates. The various fire insurance companies doing business in the State of Missouri thereupon joined in a statutory review proceeding in the state courts of Missouri. This litigation extended over a number of years and ultimately resulted adversely to the companies (*Aetna Ins. Co. v. Hyde* 315 Mo. 113, 285 S.W. 65). Thereupon the companies filed a petition for writ of certiorari which was granted by the United States Supreme Court. In 1929 the writ was dismissed on the ground that no federal question was involved. After the dismissal of the writ, the companies still feeling aggrieved filed separate injunction suits in the federal courts again challenging the validity of the 10% reduction order which had been made by Superintendent of Insurance Hyde in 1922. Subsequently these injunction actions were voluntarily dismissed by the companies. In the meantime and on December 30, 1929, more than 200 fire insurance companies doing business in the State of Missouri notified the Superintendent of Insurance that effective on February 1st thereafter fire and windstorm rates would be increased 16 $\frac{2}{3}$ % over the rates which had been fixed by the Superintendent in October, 1922.

The Superintendent of Insurance took the proposed filings under advisement and the effective date thereof was thereafter and from time to time extended to June 1, 1930. Prior to the latter date and on May 28, 1930 the Superintendent of Insurance denied the increase. On the same day the companies instituted a series of lawsuits. One group comprising 139 companies instituted 137 separate actions before a statutory Three Judge Court in the United States District Court for the Western District of Missouri, Central Division. Every one of these companies was engaged in business in New York State; 39 were New York companies, 25 were United States Branches of alien companies domiciled in New York, and 75 were other state companies licensed to do business in New York. A few days thereafter and on June 5, 1930, another group comprising 56 companies, which number was later increased to 74, filed a joint statutory state court proceeding to review the order of the Superintendent denying the increase.

In this report I will address myself to the 137 actions instituted in the federal court and in which actions the bribery occurred. These actions were brought to restrain the Superintendent of Insurance and the Attorney General of the State of Missouri from interfering with the collection of the 16 $\frac{2}{3}$ % increase on the ground that the prior rates were confiscatory; that the 16 $\frac{2}{3}$ % increase was reasonable and that the acts of the Superintendent of Insurance and the Attorney General, and the Missouri statutes under which they claimed to act, were confiscatory and unconstitutional under the Fourteenth Amendment to the Constitution of the United States. Upon application of the plaintiff companies and on July 2, 1930 the court enjoined interference by the state authorities with the collection of the increase

upon condition, however, that the premiums representing the controverted increase of 16 $\frac{3}{4}$ % be impounded with a custodian designated by the court pending final determination of the controversy on the merits.

The litigation was extended in view of the many complex questions raised and numerous depositions were taken in various cities before a Special Master appointed by the court to inquire into the facts bearing on the questions at issue. The Special Master made a lengthy report to which objections were filed. It was at this stage of the proceedings that there began to develop the iniquities which ultimately were disclosed and which served to shock not only the insurance world but the insuring public of the United States. The story of the bribery as unfolded by subsequent investigation presents an interesting contrast in personalities and business ethics. It bears repeating so that this Department may have a record of the train of events.

The attorneys who represented the companies in the litigation were the firm of Hicks & Folonie of Chicago, Illinois. On October 22, 1935 Ernest H. Hicks, a member of the firm, died. Thereafter the Bureau of Internal Revenue entered upon an investigation of the income tax liability of the deceased Hicks. In connection therewith the books of the firm of Hicks & Folonie were examined. In the course of the examination it was discovered that on May 9, 1935 one Charles R. Street, vice president of a New York insurance company, had delivered to the firm of Hicks & Folonie the checks of 14 nationally prominent fire insurance companies aggregating the sum of \$100,500. Robert J. Folonie, a member of the firm, was interrogated with respect to the checks and informed the representatives of the Bureau of Internal Revenue that insofar as the firm of Hicks & Folonie was concerned the checks represented an exchange transaction; that Street had received the full amount of \$100,500 from the law firm by checks payable to the said Street. Desiring corroboration and also being desirous of determining the nature of the transaction and to ascertain whether it was taxable as income to Street, the officials of the Bureau of Internal Revenue called upon Street. On being questioned he admitted the transaction and the repayment of the \$100,500 to him by Hicks & Folonie. He was advised that he would be chargeable with an income tax if these moneys actually represented income to him. He stated that the moneys had been disbursed to someone else and that they did not represent moneys belonging to him.

He refused, however, to furnish any information regarding the person or persons to whom he claimed the payment had been made beyond an intimation that he had paid the money to a person who was high in political circles in the State of Missouri. He informed the officials of the Bureau of Internal Revenue that the person to whom the money had been paid was not a public official. The Bureau of course demanded that the identity of this person be revealed. Street did not name the person immediately and thereafter advised the Bureau by letter that he could not reveal the identity of the person to whom the payment had been made until the steamship "Queen Mary", which was then on her maiden voyage to New York, had docked. After the "Queen Mary" had docked Street still persisted in his refusal to disclose the identity of the person to whom he claimed to have made the payment. It was an easy matter for the Bureau to gain access to the passenger list. Such access disclosed the name of Thomas J. Pendergast. Pendergast was a politician reputed to be the most powerful political figure in Missouri. He did not hold public office. In view of Street's previous statements, suspicion immediately centered on Pendergast. Street still persisted in his refusal to reveal the identity of his payee and afterwards filed a false income tax return with the Bureau which in effect retracted his claim that he had paid the money to another and stated that he had retained it for his own use. Only a brief investigation was necessary to disclose that he had not actually retained the money and that his income tax return was false. Thereupon ensued a thoroughgoing investigation to determine whether all or any part of the money had been paid to Pendergast.

The Bureau ascertained that the litigation then pending in connection with the 16 $\frac{3}{4}$ % increase had been settled pursuant to an agreement entered into on May 18, 1935. On that date R. Emmet O'Malley, who allegedly had been appointed Superintendent of Insurance at the instance of Pendergast, signed, in his official capacity, a compromise agreement with the agent of the fire insurance companies, namely, Charles R. Street, by virtue of which it was agreed in substance that the fire insur-

ance rate litigation should be ended and that the impounded premiums should be divided so that the fire insurance companies would receive 80% of these premiums and the policyholders would receive 20%.

ORIGIN OF BRIBERY NEGOTIATIONS

The events preceding this so-called compromise agreement and the means by which it was brought about are as follows:

Early in the month of January, 1935, R. Emmet O'Malley, Superintendent of Insurance, went to St. Louis, Missouri, where he met one A. L. McCormack, a St. Louis insurance man. McCormack was a friend of Pendergast. In the course of the conversation between O'Malley and McCormack reference was made to the pending litigation. O'Malley inquired of McCormack as to whether he thought the insurance companies would be interested in working out a settlement and suggested to McCormack that he communicate with Street in an endeavor to learn whether or not the companies would be interested. O'Malley also requested McCormack to ascertain if Street would be willing to discuss a possible settlement with Pendergast. Thereafter McCormack communicated with Street and made an appointment to meet him in Chicago. A few days later McCormack conferred with Street and conveyed to him O'Malley's suggestion for a conference with Pendergast. Street indicated a complete willingness to meet Pendergast. A meeting was arranged and Pendergast, Street and McCormack met in Chicago, Illinois on January 22, 1935. Street and Pendergast discussed at some length the fire insurance rate litigation, its history and the possibilities of settlement. Street finally told Pendergast that he wanted to settle the litigation and Pendergast indicated that he believed a settlement could be arranged provided that Street would pay him a satisfactory sum of money in connection with the matter. Pendergast asked Street to make an offer and Street offered \$200,000. Pendergast considered this sum of money totally inadequate and after some bargaining it was agreed that Pendergast would receive \$500,000 for procuring a settlement.

Pendergast agreed to return immediately to Missouri and to put the wheels in motion and to bring pressure on O'Malley and other officials of the State of Missouri.

At various times thereafter McCormack and Street discussed the matter. Apparently the settlement was not progressing rapidly enough to suit Street. He appeared to be apprehensive that he had not offered Pendergast sufficient money to interest himself and to exert real efforts to bring about a disposition of the case. Street not only wanted to dispose of the litigation but he wanted it settled promptly. Finally Street instructed McCormack to inform Pendergast that he desired to discuss the matter with him further. On March 28, 1935 McCormack while in Chicago met Pendergast on the street. McCormack communicated with Street and told him that Pendergast was in town. Within an hour Street with his customary dispatch met Pendergast and McCormack in a hotel in Chicago. The meeting was of short duration. Street told Pendergast flatly that he desired rapidity of action and informed him that he was prepared to raise the original offer of \$500,000 to \$750,000 if he could get the matter disposed of speedily. Needless to say Pendergast did not demur to the increase.

Thereafter and on May 8, 1935 Street telephoned McCormack requesting that he come to Chicago. On the following day, namely, on May 9, 1935, McCormack went to Street's office in Chicago. On that occasion Street gave McCormack \$50,000 in bills and requested him to deliver the same to Pendergast in Kansas City. McCormack flew to Kansas City from Chicago and on the evening of May 9 delivered the money to Pendergast at his office. McCormack delivered the money to Pendergast in accordance with the instructions of Street. Pendergast placed the money in his office safe. This amount was part of the \$100,000 shown by the books of the firm of Hicks & Folonie to have passed into Street's hands on May 9, 1935.

SIGNING OF SETTLEMENT AGREEMENT

About five days later a conference was held in a hotel in Kansas City, Missouri, between Street and officials and attorneys representing the fire insurance companies and O'Malley and McCormack. At that conference a tentative plan for settlement was developed. Four days later and on May 18, 1935, the tentative plan became a

reality. It was put into writing and signed by O'Malley as Superintendent of Insurance and by Street on behalf of the fire insurance companies. It is significant that the agreement was not signed until it had first been submitted to Pendergast at his office.

A few days after the signing of the agreement of settlement McCormack again went to Chicago and saw Street at the latter's office. On the occasion of this visit Street gave McCormack an additional \$50,000 in currency with instructions to deliver it to Pendergast. McCormack returned to Kansas City by train and upon his arrival again went to Pendergast's office and turned over to him the \$50,000 as instructed by Street. Of this \$50,000 delivery Pendergast took for himself \$5,000. The remaining \$45,000 he gave to McCormack and directed him to deliver \$22,500 to O'Malley and to keep the balance of \$22,500 for himself. This last sum of \$50,000 was likewise a part of the \$100,500 shown by the books of Hicks & Folonie to have passed into Street's hands. There still remained of the original amount \$500. According to the records Street retained that for himself.

Subsequently the "Compromise Agreement" which had been executed by Street and O'Malley was presented to the court and the court took it under advisement.

Afterwards and on February 1, 1936 the court, without any knowledge of course that the agreement of settlement was the result of conspiracy, entered a decree under the terms of which the premiums which had been impounded were directed to be distributed in accordance with the provisions of the written agreement:— 20% of the impounded premiums was directed to be paid to the policyholders; 50% was directed to be paid immediately to the insurance companies; the remaining 30% was directed to be turned over to Street and R. J. Folonie, as trustees. Out of the 30% trust fund the trustees were ordered to pay the expenses of the litigation including the fees of the attorneys for the Superintendent of Insurance as well as all stenographic and other expenses incurred during the pendency of the litigation; the balance remaining after payment of the expenses was directed to be paid to the companies. After the payment of all of the expenses which the trustees were directed to pay there remained in the trust fund a sum amounting to 16% of the total impounded premiums. The 16% was subsequently paid out in two installments. The first installment amounted to 11% of the impounded premiums and was paid to the companies in March of 1936. When the 11% payments were made, each of the companies in the case was requested to turn over to Charles R. Street, as agent, a check in an amount representing 5% of its impounded premiums. The total amount paid to Street by these checks of the fire insurance companies aggregated \$345,582.64.

Some time during the latter part of March, 1936, Street again sent for McCormack, and on April 1, 1936, McCormack went to Chicago. At Street's office the latter delivered to McCormack \$330,000 in currency which had been obtained through the medium of cashing the checks issued to him by the various companies, and instructed McCormack to deliver the money to Pendergast. Although the record does not so state, McCormack presumably knew the purpose of his visit to Street on this occasion, for he came prepared with a Gladstone bag which he took to Street's office. Thus we have the picture of the proverbial "bag man." McCormack took the money to Kansas City, Missouri, and went directly to Pendergast's residence where Pendergast was awaiting him. He delivered to Pendergast the \$330,000 in currency as he had been instructed to do by Street. After counting the money Pendergast informed McCormack that he was keeping for himself \$250,000 thereof. The balance of \$80,000 he gave to McCormack with instructions to turn over \$40,000 to O'Malley and to retain \$40,000 for himself. Pendergast's instructions were followed and McCormack thereafter delivered the sum of \$40,000 to O'Malley.

Up to this point \$430,000 of the agreed price of \$750,000 had been turned over to Pendergast of which sum he had retained \$305,000 for himself and had given \$125,000 to McCormack to be divided equally between himself and O'Malley. Later in the same year, and sometime during the month of October, O'Malley, upon instructions from Pendergast, went to St. Louis and communicated with McCormack, informing him that Pendergast, due to indebtedness for hospital and medical bills, was in need of additional moneys. O'Malley requested McCormack to get in touch with Street. In accordance with O'Malley's request and on October

21, 1936 McCormack again went to Chicago and told Street of O'Malley's visit and Pendergast's demand for a further payment. Street told McCormack that as of that moment he did not have any money available but promised to endeavor to obtain it as soon as he possibly could. McCormack waited around in Chicago for a couple of days and was then told by Street that he was still unable to make any payment. McCormack returned home empty-handed. On the following day, however, which was October 24, 1936, Street transmitted \$10,000 by a bank credit to McCormack at St. Louis. McCormack collected the money and proceeded to Kansas City with \$10,000 in currency. He went to the hospital where Pendergast was then recovering from an illness and in Pendergast's room McCormack delivered to him the \$10,000 in currency.

INDICTMENT FOR INCOME TAX EVASION

Thus a total of \$440,000 was paid by Street on account of the \$750,000 agreed upon. No further payment was collected before Street died in 1938, and the remaining \$310,000 balance of the original agreed price of \$750,000 was never paid.

Upon the facts developed by the investigation, Pendergast and O'Malley were indicted for willfully attempting to defeat and evade payment of income taxes. Both Pendergast and O'Malley pleaded guilty. In May, 1939, Pendergast was sentenced to the Federal penitentiary for one year and three months, fined \$10,000 and was placed on probation for a period of five years following completion of service of his sentence. O'Malley was sentenced to the Federal penitentiary for a year and a day, was fined \$5,000 and was placed on probation for a period of five years following completion of service of his sentence.

In June 1940 a grand jury was impaneled to inquire into violations of the Penal Statutes other than that of the evasion of income taxes upon which Pendergast and O'Malley had already been indicted and pleaded guilty. The said grand jury handed up an information for contempt of court against Pendergast, O'Malley and McCormack. The contempt trial took place before the three judges who constituted the Statutory Court in the action which had resulted in the bribery. The contempt trial was held in April, 1941, and resulted in finding all three of the defendants guilty of contempt. The court sentenced Pendergast to the Federal penitentiary for a period of two years. O'Malley was likewise sentenced for a period of two years. McCormack was sentenced to be on probation for a period of two years. In addition the costs of the proceeding were assessed against Pendergast and O'Malley.

The disclosures and the subsequent impositions of the sentences on Pendergast and O'Malley galvanized the Superintendent of Insurance into immediate action. On May 29, 1939 Ray B. Lucas, who had succeeded O'Malley as Superintendent of Insurance, made a motion for a show cause order directed to all of the companies involved in the litigation to show cause why the decree which had been made by the court under date of February 1, 1936 and under which the impounded moneys had been turned over should not be set aside insofar as it directed the return of the said moneys. The relief asked was that the decree be modified so as to assure distribution of all of the impounded premiums to the policyholders who had paid them. After argument the court made two orders. One order required the companies to return to the custodian of the court the entire 80% which had been previously paid out. The other order required the companies to show cause why the said moneys should not be returned to the policyholders and the cases dismissed. The companies complied with the order for restitution and opposed the show cause order on the question of returning the moneys to the policyholders. The companies urged that the court should decide the case on the merits as to whether or not the 16½% rate increase was justified.

Before making any determination on the question of the return of the moneys to the policyholders the court considered it essential to ascertain what knowledge the companies themselves had in connection with the bribery. An order was made by the court appointing a Special Master to take testimony.

"(a) As to the conduct of the parties in this and companion cases leading up to the action of the court ordering distribution of the impounded funds deposited by the insurance companies with the court's custodian.

"(b) As to any connection therewith of any agent of the plaintiff authorized to act in connection with this litigation; and
"(c) As to the knowledge of any authoritative officer or officers of the plaintiff as to the acts of any such agent.
"But it is not to be inferred from this order that it has been determined by the court that a finding as to each of the three matters of inquiry herein specified is necessarily deemed essential to the ruling of any question which has been or which may be presented for decision."

The Special Master took testimony over a period of months in the cities of New York, Hartford, Conn., Chicago, Ill., St. Louis, Mo., and Kansas City, Mo. All told 97 witnesses were examined before the Special Master which included one or more of the responsible officers of each group of companies. The transcript of the testimony is embraced in three printed volumes of 1,600 pages. The testimony, together with the report of the Special Master which latter report is contained in a printed volume containing 679 printed pages, was thereafter filed with the court. The testimony of the various company officials, all of which has been examined by me, presents an interesting picture of the operations which took place prior and leading up to the payments made by the companies.

The work of handling the Missouri rate litigation devolved upon a committee known as the Subscribers' Actuarial Committee. At the time of the litigation and particularly during 1935 and 1936 Street was chairman of the committee. As chairman of the committee Street assumed unto himself the direction of the litigation and from time to time, at the meetings of the committee he made reports as to the status of the litigation. It appears that although the members of the committee represented the companies and ostensibly constituted the body which directed the litigation Street in fact handled the situation and from all that the record discloses did not furnish the committee with the details of the litigation but simply kept the committee informed in a very general way as to what was going on.

HOW BRIBERY FUNDS WERE RAISED

The story as to the actual means employed in raising the bribery money distributed by Street as the intermediary enters at this point. The means pursued may well be divided into two major classifications, namely, the raising of the initial \$100,500 in May of 1935 and the raising of the balance of \$345,582.64 in 1936. The manner of raising the funds was novel to say the least and presents a picture of duplicity rarely encountered in legitimate business circles. The testimony is characterized in a certain degree by vagueness. Charles R. Street, the culprit in the situation, died on February 1, 1938. When the testimony of the company executives was given before the Special Master in 1939 Street could not be examined and we must depend upon the memory of those persons who were available to testify as to Street's activities insofar as they came to the attention of the companies' executives during the period under review. We will first take up the matter of the raising of the sum of \$100,500 in May of 1935. This story is divided into two parts. The first part will be referred to as the New York meeting and the second part will be referred to as the Hartford meeting.

With regard to the New York meeting the testimony shows that a few days prior to May 2, 1935 Street sent a telegram to an intermediary requesting him to call a meeting of certain company executives to be held in New York City on the morning of May 2, 1935. The intermediary proceeded to communicate with the various executives by telephone. The telegram did not indicate the nature of the meeting Street desired to be called and at the time the intermediary testified he was unable to locate the telegram. Thereafter the meeting was held on the appointed day. Street opened the meeting by stating that it looked as if the Missouri rate litigation could be settled on a 90-10 basis, meaning a return to the companies of 90% of the impounded premiums and a return to the policyholders of 10%. He stated that he would need some money for legal expenses, that he wanted to raise \$100,000 and that he was going to be in Hartford the following day to meet with officials of some of the Hartford companies. The officials present agreed to make certain contributions which were noted on a slip of paper. Although the matter was an important one (the amount of impounded premiums being held in connection with the Mis-

souri rate litigation at that time aggregated \$9,000,000) no written memorandum of any sort was made by anybody present.

At this point it will be pertinent to recount the procedure which had been followed theretofore in connection with the payment of legal fees in the Missouri litigation. Up to that time and for approximately thirteen years prior thereto the firm of Hicks & Folonie had been the attorneys for the companies in the litigation. Whenever legal fees were to be paid to the firm of Hicks & Folonie the said firm would submit a bill to the Subscribers' Actuarial Committee. The committee would approve the bill and thereafter the Missouri Inspection Bureau, which was one of the organizations representing the companies in Missouri in connection with rate matters, would assess the various companies to the litigation. The companies would then remit to the Bureau and the Bureau would pay the fees of the attorneys.

With one exception the executives present at the May 2nd meeting sent checks covering the amount of their commitments to the intermediary for delivery to Street. These checks aggregated \$62,500.

The Hartford meeting took place on the following day, May 3, 1935. Street's procedure conformed substantially to that which he had employed in New York. A few days prior to the Hartford meeting he had telephoned an executive in Hartford and asked him to arrange a gathering of responsible fire insurance company officials for a meeting in the early afternoon of May 3rd. In this instance Street did not suggest the names of those who were to be invited. Examination of the testimony of the various persons who attended the meeting discloses that Street told the assembled group the same story that he had told the executives at the meeting the day before. After discussion the executives assembled agreed to contribute certain amounts on behalf of their companies. One executive present made a written memorandum on the day following which reads in part as follows:

"MEMORANDUM

'Saturday, May 4, 1935 In re: Missouri Situation

"An effort is being made to settle the Missouri rate case through the intervention of those who wish to terminate this long drawn-out legal struggle, — and what is now proposed is that 80% of the impounded premiums shall be returned to the Companies, 10% shall go to the public and 10% will be for the expenses in the handling, — and from and after a date to be fixed, maybe March 1st, the rate of premium applying in the State of Missouri will be as follows:

"The theoretical 16½ advance over the 90 brought the rate of 105%. We will, under this agreement, reduce this 105% theoretical rate to 100%, which is the rate that was in effect before the Hyde order.

"It is necessary in carrying on this activity, to use temporarily \$100,000, which will be accounted for when the settlement is made and we are asked to contribute our proportion of this sum as shown below.

"We were asked to contribute as an advance for legal expenses the sum of \$37,500, as the participation of the group of companies centered at Hartford. \$62,500 was raised among a few of the New York Companies on Thursday. Mr. Street is to turn this money over to our attorneys, Hicks & Folonie but it is not to be delivered unless the settlement, as above referred to, is effected. After the agreement has been effected the attorneys will appear before the court and secure its approval to a stipulation of this settlement, as above referred to and the advance money will be accounted for."

The amount actually collected in Hartford was \$38,000.

Examination of the memorandum indicates that Street in all probability made some mention of the 90-10 settlement which had been discussed at the New York meeting. The memorandum also gives credence to the testimony of the company officials to the effect that Street stated that he needed the funds for legal expenses. With one exception all of the companies present issued their checks. The checks were drawn on the day of the meeting. One company's check was drawn four days later. All were transmitted to Street.

As before stated the checks were all cashed and the sum of \$100,500 was turned over by Street to Pendergast, with McCormack acting as intermediary.

BALANCE OF MONEY COLLECTED

With regard to the balance of \$345,582.64 which was turned over to Street by checks of the companies in the litigation, the transmission of these checks came about under the following circumstances. When the court made its decree on February 1, 1936 it will be recalled that 50% of the impounded premiums was to be paid to the companies and 20% thereof was to be paid directly to the policyholders. The remaining 30% was to be turned over to Charles R. Street and Robert J. Fologie as trustees. The impounded premiums amounted to slightly over nine million dollars. Thus there was turned over to Street and Fologie as trustees for the purpose of paying the expenses of the litigation approximately \$2,700,000. The order of the court contained a direction that after the payment of all of the expenses any balance remaining was to be distributed to the companies. There was very little delay in distributing most of the funds for, approximately one month after the making of the decree Street and Fologie were in possession of sufficient funds to make a distribution to the companies of 11% of the impounded premiums. Once again Street arranged a meeting in New York at which a group of company executives was present. This took place in March, 1936. Upon that occasion Street stated that the trustees were going to make a payment of 11% and that he needed an additional sum of approximately \$350,000 which in addition to the amount advanced by the companies the previous year would approximate \$450,000 or 5% of the nine million dollars of impounded premiums. He stated that the checks would be ready for the companies in a short time and requested that they give to him by a check payable to him as agent 5% of their impounded premiums. He stated further that as to those companies which had contributed in May 1935 there was to be deducted from their checks of 5% which he desired the amount advanced as a result of the May 2, 1935 meeting. He stated that the moneys would be needed for legal expenses. He also stated that he could not tell what the total amount of expenses would ultimately amount to but that when the litigation was all finished he would make a complete accounting for the sums received. No one raised any serious question. The meeting was short, lasting in all probability not more than fifteen minutes.

Street arranged to have a computation made as to the amount which would be required of each company in order to pay him 5% of the impounded premiums. Two men were assigned to the task of telephoning or making personal calls on insurance company officials along the Atlantic seaboard as a part of the process of delivering the 11% checks and getting in return the 5% checks payable to Street as agent. No letters were written in this work or at least none was produced before the Special Master although some handwritten memoranda indicating the computation of the 5% assessment were located subsequently.

One feature of this transaction is noteworthy. As has been stated earlier in this report, the order of the Court had provided that 30% of the impounded funds was to be turned over to Street and Fologie as trustees for the payment of expenses. As trustees, Street and Fologie were required by the Court to account for the moneys which they had received and disbursed. The evidence does not disclose that any inquiry was made by companies operating along the Atlantic seaboard as to why Street should be requesting checks for legal expenses to be taken out of moneys which ostensibly represented a surplus over and above the legal expenses which Street and Fologie were to pay out under the decree of the court.

In the middle west Street undertook the task of delivering the 11% checks and of obtaining the 5% rebate checks to himself as trustee. He apparently found it necessary to use the mails for correspondence, and evidence on this phase of the matter was produced before the Special Master.

In order that the following extracts from the minutes may be more readily understood, attention should be called to the fact that at the time of the first distribution of 11% Street originally wanted to distribute only 6% and get back 5% from the companies. To that extent a certain number of checks were sent out shortly thereafter and at the suggestion of Fologie that a larger distribution should be made, the trustees decided to send out checks amounting to 11%. Some of the companies cashed the 6% checks and as to those companies a further check of 5% was subsequently forwarded to them. In passing it should be noted that from the evidence Fologie was completely ignorant of Street's manipulations. A 6% check

was sent to a prominent mid-western company. On May 9, 1936 the following form letter which had been prepared as a letter of transmittal for use in forwarding checks to the companies went forward to this company. It follows:

"CHICAGO, March 9, 1936

"We enclose check for \$(see below), being 6% of the amount of your impounded premiums in Missouri as of May 1, 1935.

"This is a distribution out of the 30% of the fund turned over to us as Trustees for the discharging of company liabilities in connection with this rate litigation — we think this can be done without reducing the fund below the limit of safety.

"C. R. STREET

"R. J. FOLONIE

Trustees."

Attached to the letter was a memorandum written in Street's handwriting reading as follows:

"Send me ck for 30% and trust me —

CRS"

There is nothing in the record to show why Street appended the admonition contained in the memorandum and four days later the company sent Street the requested checks with a covering letter reading as follows:

"Enclosed are the checks asked for in the memorandum which was received attached to your letter of the 9th."

Approximately two weeks later, and on March 30, 1936, Street again wrote the same company:

"CHICAGO March 30, 1936

"I enclose herewith checks for the ****, \$1,330.37; **** \$4,121.78, on account of Missouri impounded premiums.

"This makes 11% of your impoundments as of May 1st last which you have received.

"I also return you two checks payable to me and to Folonie as Trustees.

"The situation has changed since I spoke to you and have been to New York where a number of the 'big boys' met and I came back with **** check for \$34,000 (they have previously put up \$15,000), ****, \$23,000 (they had previously put up \$15,000), and others, all payable to C. R. Street, Agent.

"Please send me **** check for \$1,330.35 and **** check for \$4,121.75 expense, this being within a few cents of the same amounts as the checks now sent you.

"All checks are in except these and two distant companies I have yet been unable to reach.

"This simply increases the amount you will receive in the final distribution, a matter of bookkeeping, as it were, but it cannot be paid out of the Trustees' account — no bribery but legitimate expenses which we cannot put in our report to the court.

"Full report will be made at the April meeting.

"With best regards, I remain

"Yours very truly,
"CRStreet"

Despite Street's admonition to the recipient of the letter to trust him and despite his assurance that there was "no bribery" but "legitimate expenses which we cannot put in our report to the court," the recipient of the letter apparently had some misgivings for he wrote Street as follows:

"Mr. C. R. Street,
310 South Michigan Avenue
Chicago, Illinois

"Dear Sir:

"April 1, 1936

Re: Missouri Impounded

"Enclosed find checks for the amounts specified in your letter dated March 30th. The other two checks returned are being voided.

"The procedure you suggest seems to be somewhat of an involved way of doing business, but we take it for granted that circumstances justify your request. Remittances are being sent you, therefore, although we admit frankly that we do not know yet what it is all about.

"Yours truly,
 _____"

Examination of this correspondence indicates quite clearly why the checks which had been sent by this particular company were returned. The original checks had been made payable to Street and Folonie as trustees. Of course Street could not use those checks in that form. He wanted them made to himself as agent and the company complied with his request. In response to the letter of April 1st, Street sent the following reply:

"CHICAGO April 2, 1936.

"Will tell you all about it at the Association meeting, at which I propose to make a detailed report.

"In the meantime can assure you it is all right.

"Yours very truly,
 "CRStreet"

The manager of the western department of one company testified before the Special Master. In March 1936 Street called on the manager at his office in Chicago and delivered to him a check representing 11% of the impounded premiums of the companies in the manager's group. Street told the manager that he had in his possession checks which aggregated 11% which he was prepared to turn over to the manager if the latter would deliver to him (Street) checks aggregating 5% of the impounded premiums. Street was asked why the transaction should be handled in that manner; if companies were to receive 6% net, the manager asked why Street did not give him a check for 6% instead of making it a double transaction. Street said that the reason why it was being done in that manner was to simplify bookkeeping. The manager then asked Street what the 5% was to be used for. To which Street replied: "That he couldn't tell me just then." The manager then went on to testify:

"I said to Mr. Street that a check from each of our companies for 5 per cent of our impounded premiums was rather an unusual request and that I as manager of the company should have some information as to what that money was to be used for, that I had no authority to give out money just because someone wanted it. I should have some explanation of the payment to give to my head office officials if they asked for it. 'Well,' he said, 'I am sorry, **** but I can't tell you that just now,' but then he reached down in his pocket and he pulled out an envelope and he said, 'I have called on all of these managers in New York and I have their checks here. Now, if you want to see them, here they are.' I said, 'No, Mr. Street, if you will tell me that you have those checks, that is all the information I need and I will take your word for it.' Then I asked Mr. Street further, 'Well, tell me this, is this money to be used in the settlement of this case, possibly to buy a judge or someone,' and Mr. Street answered, '****, I can answer that question with a positive no. These funds are to be used for legitimate purposes only,' and with that I called for our accountant."

This witness seemed to be the only one who raised the point of bribery directly. When Street said funds were to be used for legitimate purposes only all of the witness' suspicions were allayed.

There were other witnesses who raised questions about the manner of handling the transaction but in every instance Street was successful in dispelling any apprehension which they might have had. The fact is that the companies paid their respective shares.

It was the lack of actual knowledge which led the United States District Judge in a charge to the Grand Jury in the Western District of Missouri to inform the jury prior to deliberations that there would probably be no evidence available upon which to predicate criminal indictments against the officials of the companies. On the state of the record (and it is to be assumed that before the Grand

Jury inquiring into the situation no additional evidence could be adduced) the Grand Jury exonerated the company officials from any criminal responsibility.

As to the civil responsibility of these officials a different situation prevailed. After the Special Master had concluded taking testimony and his report had been filed the case was briefed extensively by the companies' attorneys and by the attorneys for the State of Missouri, and the matter was argued before the Three-Judge Statutory Court. The opinion of the Three-Judge Court, which was handed down on August 14, 1940 and which is reported in *38 F. Supp. 896* sets forth at considerable length the questions before the court and the responsibility of the companies for the acts which took place. The court found that the insurance companies had not come into court with clean hands and directed that the moneys be distributed to the policyholders. At page 924 the court said:

"What do the facts here show as to knowledge, actual or implied, as to each of these companies? There was implied knowledge as to every one of the companies. Each of them made contributions to the bribe moneys through responsible company executives, under circumstances which would have put a reasonably prudent man on inquiry and, had such inquiry been diligently pursued, it is difficult to believe that any would have made such contributions or, if they did, that such could have been without knowledge that the money was to be used in surreptitious ways to bring about the settlement agreement — which all knew would require some sort of action by this court to make it effective."

and at page 925 the court in its opinion said:

"Men exercising reasonable prudence do not pay out money in this manner without inquiry as to what it is for. Apparently, in their ordinary expenditures, these men made such inquiries and required such knowledge. It is no answer or excuse to say, as many did, that they trusted Street and that he resented interrogation. The same witnesses required such information from their own trusted employees in ordinary expenditure transactions; and the disposition of the one to whom an expenditure is made is no legal bar to inquire nor excuse for not making such."

After the court had made its decision the companies moved for a new trial. The motion for a new trial was denied. In the opinion denying the motion the court called attention to the fact that the companies which had contributed to the initial bribe fund of \$100,500 did so without any investigation of the unusual procedure suggested by Street. The companies appealed to the Circuit Court of Appeals. In an opinion by the Circuit Court of Appeals for the Eighth Circuit affirming the lower Court and reported in *129 F(2) 143* the court in commenting on the finding which had been made by the lower court to the effect that the companies had not come into court with clean hands, said at page 148:

"**** We have examined the voluminous record with great care, and particularly the report of the Special Master, consisting of six hundred and seventy-nine pages, and we are of the view that the findings of the court on this issue are sustained by abundant evidence ***."

After the affirmance by the Circuit Court of Appeals the companies applied to the United States Supreme Court for a writ of certiorari. The petition was dismissed (*317 U. S. 687*). A petition for rehearing filed by the companies with the United States Supreme Court was thereafter denied (*317 U. S. 712*).

STATE AND FEDERAL IMPOUNDINGS

While the actions in the Federal Court which resulted in the bribery scandal were brought to an end by the final action of the United States Supreme Court in denial of the petition for rehearing, notice should be taken of certain collateral matters. I refer particularly to the matter of the impounding of premiums not only in the Federal Court cases but in the various actions instituted by the companies in the State Courts of Missouri. When the companies instituted State Court actions upon the reduction in rates ordered by the Superintendent of Insurance in

1922, the court directed the impounding of the premiums in excess of those allowed by the reduced rate. Many millions of dollars were impounded in those cases and at the present time there is still impounded \$2,300,000 which has not been returned to the policyholders because they cannot be located. Twenty years have elapsed since these policyholders paid their premiums and because of the lapse of time it is thought that the money still in possession of the State will never be turned over to the policyholders who paid the moneys. In addition to the impoundings in those cases there were impoundings which were ordered in the actions which the companies instituted in the State Courts to review the order of May 28, 1930 denying the requested 16 $\frac{2}{3}$ % increase. During the time that this group of State Court cases was pending, there was impounded in connection with the said litigation over one and one-half million dollars. When these cases ended adversely to the companies in 1935 the impounded moneys were directed to be returned to the policyholders. As of the present time there is still a balance of approximately \$150,000 which has not been returned due to the fact that the policyholders have not been located. The cost to the State of Missouri in handling the refunding of the moneys in these actions was over \$120,000 which was borne by the State of Missouri. With regard to the impoundings in the Federal Courts which were the subject of the bribery scandal, it may be said that those funds have been returned in toto. As will be seen from the foregoing \$2,300,000 still unpaid to policyholders arising out of the litigation following the 1922 rate reduction and the \$150,000 still unpaid to policyholders arising out of the litigation following the denial of the 16 $\frac{2}{3}$ % increase in 1930 aggregates approximately two and one-half million dollars. In all probability all of these moneys will escheat to the State of Missouri. It is to be deplored that a loss of such magnitude should fall upon the insuring public and it is to be hoped that there will never be a recurrence of a situation so inimical to the public interest.

QUO WARRANTO PROCEEDINGS

In order that the present status of the Missouri rate cases may be the subject of record in this Department, I wish to call attention to the fact that I examined the files in the Office of the Clerk of the Supreme Court of the State of Missouri at Jefferson City, Missouri. After the revelations attendant upon the bribery scandal, the Attorney General of the State of Missouri instituted a quo warranto proceeding against the companies involved. The prayer of the petition in that proceeding asks that the companies be declared to have forfeited their franchises on the grounds:

- (a) of bribery;
- (b) that the companies were charging illegal rates;
- (c) that the companies entered into agreements to fix prices; and
- (d) that the companies took control of the Missouri Inspection Bureau and in March of 1938 employed one Clark, as attorney for the Bureau, with full knowledge that at the same time Clark was employed in the Insurance Department of the State of Missouri.

The issues were referred to a Special Commissioner to take testimony and to make findings of fact and conclusions of law. The Special Commissioner has made his report and the case will be heard for final decision before the court *en banc* in January, 1946.

As a result of my investigation certain remedial steps suggest themselves. I have refrained from incorporating them in this report on the assumption that you may want to call a meeting of the Bureau Chiefs to study the report and explore prospective remedies.

ALFRED J. BOHLINGER,
Deputy Superintendent of Insurance.

APPENDIX D(1)

MEMORANDUM for Committees of American Life Convention and Life Insurance Association of America
FROM Noel T. Dowling and Edwin W. Patterson of the School of Law, Columbia University
SUBJECT: (1) Effect of the South-Eastern Underwriters decision on state tax laws, and (2) power of Congress to permit such laws to continue in operation.

We understand that your branch of the industry, believing it to be in the public interest that the States continue to exercise their powers over the business of insurance and being wholly agreeable to the continued payment of fair taxes to the several States, has authorized the study in which we have been engaged in order that additional information may be made available, first, as to the legal situation created by the South-Eastern Underwriters decision with regard to the constitutional basis of existing tax laws, and second, as to possible lines of action for overcoming such difficulties as may result from that decision.

While our reference has not been sharply defined, we understand it to be a limited one and primarily to supply information. It does not call upon us to make recommendations, neither does it ask our opinion as to the validity of any specific provision in existing tax laws. We would not in any event undertake to express such an opinion without both a more detailed examination of the statute and its operation and effect than we have so far made and fuller knowledge of the facts capable of being established on the record. The foregoing has to do especially with the first part of this memorandum, concerning the effect of the South-Eastern decision on existing tax laws. With respect to the second part, we understand our reference to be somewhat broader and to include not only informational material but also an expression of our opinion as to how far it lies within the power of Congress, by virtue of the commerce clause, to permit the tax laws now in force to continue in operation.

It was only under much pressure that we were able to prepare the memorandum since the meeting last week. There are still several phases of your tax problem which need to be covered, *e. g.*, allowable deductions, multiple burden, privilege tax, retaliation; and as to them a supplemental memorandum will be prepared. But the outstanding phase is concerned with discrimination against interstate commerce, and we have made that, together with the power of Congress to permit existing tax laws to continue in operation, the subject of this memorandum. And, pursuant to your suggestion, we here indicate our general conclusions.

On the point of discrimination, assuming no Congressional permission, our general conclusion is that a state premium tax law which taxes foreign insurance company premiums at a higher rate than it taxes (or without taxing at all) premiums of like domestic insurance companies would probably be invalid as a discrimination against interstate commerce; it could be saved only by showing a corresponding tax, imposed in some way or other upon the premium receipts of domestic companies only, sufficient to equalize substantially the burdens on domestic and foreign companies.

On the point of the power of Congress to permit the continued operation of state laws, our general conclusions are, first, that except where such laws involve discrimination against interstate commerce, it seems clear that Congressional permission will remove the commerce clause objections and thus enable the laws to continue in operation; and, second, that even where discrimination is involved, at least such as may be shown under the laws now in force, an arguable case can be made that Congressional permission for the continued operation of such laws would not be held invalid.

I

EFFECT OF THE SOUTH-EASTERN DECISION ON STATE TAX LAWS

The all-important point for present purposes is that, by classifying insurance as interstate commerce, the decision has brought on a new set of questions which are concerned with the powers of the States over interstate commerce and which arise by reason of the commerce clause itself. None of them was actually involved

in the issues before the Court in either the *South-Eastern* case or *The Polish National Alliance* case.

The majority opinion by Mr. Justice BLACK adverted to them in an indirect and general way, though he did refer specifically to what he described as the "exaggerated" argument about the effect of the Sherman Act in invalidating state laws regulating insurance. Mr. Chief Justice STONE, dissenting, made a point of the fact that neither the majority opinion nor the briefs and argument of counsel "explored in any detail" the extent to which "still other state statutes [than those invalidated by the Sherman Act] *will now be invalidated as in conflict with the commerce clause*" (emphasis supplied). The Chief Justice went on to say that "certainly there cannot but be serious doubt as to the validity of state taxes which may now be thought to discriminate against the interstate commerce," and that the resolution of those doubts will call for extensive litigation and legislation "in order to establish a new boundary between state and national power." Mr. Justice JACKSON, also dissenting, thought the Court's decision "at very least will require an extensive overhauling of state legislation" and that "certainly the States lose very important controls and very considerable revenues."

That the commerce clause objections which may be raised against many existing tax statutes are serious and difficult is clear to us on a consideration of the judicially developed law of the clause. And on the present outlook for these statutes we attach some adverse significance to the 5-4 line-up of the Court in the recent case holding an Arkansas sales tax law invalid while at the same time apparently assuming a like percentage use tax would have been upheld. *McLeod v. DiLworth Co.*, 64 S. Ct. 1023, decided May 15, last. The majority was made up of Mr. Justice FRANKFURTER, delivering the opinion, and Mr. Chief Justice STONE and Mr. Justice JACKSON, all of whom dissented in the *South-Eastern* case, together with Justices ROBERTS and REED, who did not participate in that case. The *McLeod* case shows the full Court in action on a state tax law, and it suggests to us, especially in view of the emphasis in the minority opinion, that a majority of the present Court are very much concerned with how and on what basis a State undertakes to tax interstate commerce as well as with the results of what it does.

The *South-Eastern* case swept away the understructure upon which a large part of state legislation on insurance has been rested. This understructure was the doctrine formulated in *Bank of Augusta v. Earle*, 13 Peters 519 (1838), applied in *Paul v. Virginia*, 8 Wall. 168 (1869) and invoked repeatedly since then, namely, that the States have power to exclude foreign corporations from doing business within their borders or to admit them on such conditions as they see fit to prescribe. To this doctrine there were two exceptions, one, where the foreign corporation was engaged in the performance of a federal function and, the other, where it was engaged in carrying on interstate commerce. A limiting doctrine of "unconstitutional conditions," not relevant here, was subsequently developed. By dint of the *South-Eastern* decision a foreign insurance corporation is now in the second exception above, and it now enjoys a constitutionally protected right to enter the State.

Among the several distinctive doctrines developed by the Supreme Court for the protection of interstate commerce, none is more firmly established than that the States may not discriminate against interstate commerce in favor of local commerce. The principle underlying this doctrine is as fundamental as the Constitution itself. Indeed, a chief occasion of the commerce clause, said CARDOZO, J., speaking for the Court in 1935, "was 'the mutual jealousies and aggressions of the States, taking form in customs barriers and other economic retaliation.'" *Baldwin v. Sellig*, 294 U. S. 511, 522 (1935).

This doctrine is abundantly illustrated in a long line of decisions beginning at least as early as 1876. Among the cases so holding are: *Welton v. Missouri*, 91 U. S. 275 (1876) (license tax on only those peddlers selling goods produced outside of Missouri); *Guy v. Baltimore*, 100 U. S. 434 (1880) (wharfage charges applicable only to unloading of goods produced outside of Maryland); *Webber v. Virginia*, 103 U. S. 344 (1881) (license tax on manufacturer's agents, applicable only to manufactured articles produced outside of Virginia); *Hale v. Bimco Trading, Inc.*, 306 U. S. 375 (1939) (Florida inspection fee on foreign-produced cement); *Best & Co. v. Maxwell*, 311 U. S. 454 (1940) (North Carolina license fee on retail sample rooms).

A summary of the facts of two recent cases will aid in determining their applicability to the state premium tax laws. In *Hale v. Bimco Trading, Inc.*, a decree was upheld, which enjoined enforcement of a Florida statute that imposed an "inspection fee" of 15c per cwt. upon all cement imported from outside the State, but required no inspection and imposed no fee upon cement produced in Florida. It was shown that the "inspection fee" was about sixty times the cost of making the inspection. The opinion of the Court (FRANKFURTER, J., all concurring) treated this "fee" as a tax, and said that the presumption of constitutionality "cannot overcome this calculated discrimination against foreign commerce." In *Best & Co. v. Maxwell*, a New York department store sued to recover a tax which it paid under protest, pursuant to a North Carolina statute which imposed an annual privilege tax of \$250 for a license to display goods and samples for sale in a hotel, etc., by any person not a regular retail merchant of North Carolina. The plaintiff maintained a sample room in a North Carolina hotel, at which its agent took orders for goods to be shipped from New York. The Court held the statute unconstitutional as a discrimination against interstate commerce. The opinion of the Court (REED, J., all concurring) said: "The commerce clause forbids discrimination, whether forthright or ingenious." Although the statute was *in terms* applicable to residents conducting only sample rooms, the Court assumed that "normally" residents competing with the plaintiff would be "regular retail merchants" of North Carolina, and that these paid only \$1 per year for the privilege of doing business in the State. Because of this disparity between the "corresponding fixed-sum license tax" imposed on interstate and intrastate commerce, the Court unanimously found the tax to be discriminatory.

We see no reason to believe that the principle of these cases, involving *tangibles* of interstate commerce, would not be applicable to the business of life insurance, though it deals in *intangibles*. Among the dealings in intangibles which the Court has treated as interstate commerce are, the sale and delivery of instruction by a correspondence school, *International Textbook Co. v. Pigg*, 217 U. S. 91 (1910) the furnishing of services by a custom house broker, *Union Brokerage Co. v. Jensen*, 64 S. Ct. 967 (1944); the publication of a magazine, *Western Live Stock v. Bureau of Revenue*, 303 U. S. 250 (1938), and the transmission of securities across state lines, *Electric Bond & Share Co. v. Securities Exchange Commission*, 303 U. S. 419, 431-433 (1938). Cf. *Hall v. Geiger-Jones Co.*, 242 U. S. 539 (1917). Indeed, the *South-Eastern* case and the *Polish National* case both exclude any such distinction.

From these cases, as well as from others which have sustained state laws against the charge of discrimination and of which a few will be mentioned, we find four factors involved in the Court's test of discrimination:

1. *Scheme of Taxation as a Whole.* In determining whether or not a particular statutory provision is discriminatory, the Court considers not only the provision imposing a tax on interstate commerce but also other statutory provisions imposing taxes on domestic (intra-state) commerce.

Thus, in *Hinson v. Lott*, 8 Wall. (U. S.) 148 (1869), the Court upheld an Alabama statute taxing liquor, imported from without the State, at the rate of 50c per gallon. The Court said that this statute, standing alone, would be discriminatory; but it found another section of the Alabama statutes that imposed a tax of 50c per gallon on liquor produced in Alabama, and so held that the statute was a legitimate exercise of the State's taxing power, not an attempt to "regulate commerce between the States." In *Henneford v. Silas Mason Co.*, 300 U. S. 577 (1937), the Court upheld a tax imposed by Washington upon the use in Washington of property (here machinery used by a building contractor on the Grand Coulee dam) bought outside the State, on which no sales tax had been paid. The use-tax provision (here imposing the burden of payment directly on the user) was a part of a comprehensive sales-tax law, which imposed taxes at the *same rate* upon sales made within the State. The opinion of the Court, by CARDOZA, J., said: "Equality is the theme that runs through all the sections of the statute." The Court was careful to qualify all of its statements about taxation of interstate commerce transactions by the word, "non-discriminatory." Similarly, use taxes imposed upon consumers who bought goods without the State and brought them into the State were upheld where there was a sales tax at the *same rate* upon purchases made within the State. *Gregg Dyeing Co. v. Query*, 286 U. S. 472 (1932) (use tax collected by State from consumer);

Nelson v. Sears Roebuck & Co., 312 U. S. 359 (1941) (use tax collected from seller). The use tax and the sales tax were found to be corresponding burdens.

2. *Corresponding Burden.* In determining the discriminatory character of a tax on interstate commerce, the Court will consider only the "correlative" or "corresponding" burden placed on local (intra-state) commerce. There is no indication that the Court will go further than to compare the taxes imposed, by whatever name called, upon the same or substantially similar taxable events or taxable values. A comparison of taxes imposed on different bases could result at best in a chance equality which would not satisfy the basic principle of the commerce clause.

In *Best & Co. v. Maxwell*, 311 U. S. 454 (1940), the Court compared only the "fixed-sum license" taxes of out-of-state and local merchants, and took no account of the obvious fact that local retailers who maintained stocks of goods in North Carolina would pay *ad valorem* taxes on such stocks, whereas the plaintiff, which maintained only a sample room, would not pay North Carolina a tax on its stock of goods. The case which has gone furthest in applying the "corresponding" test is *Interstate Busses Corp. v. Blodgett*, 276 U. S. 245 (1928). A motor-bus company using the highways of Connecticut for both interstate and intrastate transportation of passengers sued to enjoin the state tax officials from enforcing a Connecticut statute which imposed a tax on interstate busses of 1c per mile traversed within the State. A judgment for the defendants below was affirmed by the Supreme Court. The opinion, by STONE, J., held that the plaintiff had not sustained the burden of proving that the statute imposed a "substantially greater burden" on interstate busses than on those doing a purely intrastate business. Connecticut imposed no such mileage tax upon intrastate busses, but it did impose on them (and not upon interstate busses) a gross receipts tax of 3% annually. The plaintiff tried to bring into the computation other taxes which it paid in Connecticut, such as the tax on personal property (its busses) and the (shifted) gasoline tax; but the Court did not consider these to be "correlative": "We cannot say from a mere inspection of the statutes that the mileage tax is a substantially greater burden on appellant's [plaintiff's] interstate business than is its correlative, the gross receipts tax, on comparable intrastate businesses. To gain the relief for which it prays appellant is under the necessity of showing that in actual practice the tax of which it complains falls with disproportionate economic weight on it." (276 U. S. at p. 251.)

A Louisiana statute which in terms imposed a tax of 25 mills on the dollar of assessed valuation of all rolling stock of non-resident corporations not domiciled in Louisiana (and only upon them) was upheld as not discriminatory, where it appeared that if the foreign corporation became domiciled (which it could do) in a particular parish or city it would then have to pay on the same property a local tax, the rate of which, varying as between the different localities, averaged approximately the same rate as the state tax. *General American Tank Car Corp. v. Day*, 270 U. S. 367 (1926). The opinion of the Court by STONE, J., concludes that the plaintiff, suing to enjoin collection of the state tax, had failed to show discrimination.

3. *"Substantial" Equality.* Equality of burden between interstate and intrastate commerce need only be "substantial."

In the case last cited the Court said the tax was not objectionable unless it discriminated "in some substantial way between the property of the appellants and the property of residents or domiciled nonresidents" (p. 372). The tax is not invalid, it said, "merely because equality in its operation as compared with local taxation has not been attained with mathematical exactness" (p. 373). Further on in the same opinion Mr. Justice STONE said that *even if*, as contended by the plaintiff, the average of local taxes was only 21 mills on the dollar:

"In the absence of a purpose to discriminate, disclosed by the legislation itself, we are not prepared to say that a 4-mill variation in one year not shown to be a necessary or continuing result of the scheme of taxation adopted, would be an unconstitutional, discrimination . . ." (pp. 373-374).

4. *Discrimination Apparent from the Statute itself.* There is ground for believing that the Court will declare a tax statute invalid if, taken as a whole, it discloses an apparent purpose to discriminate against interstate commerce, even though there is no proof that, in its practical operation, it imposes a substantially greater burden on interstate commerce than the corresponding burden on intrastate commerce.

Indications of such a tendency are found in the opinion of Mr. Justice STONE in the *General American Tank Car* case, *supra*, ("in the absence of a purpose to discriminate") and in the opinion of Mr. Justice FRANKFURTER in *Hale v. Bimco Trading, Inc.*, *supra*, ("calculated discrimination"). If the statute on its face imposes an unlawful burden on interstate commerce, the invalidity is not cured, it seems, merely because the State might lawfully, by adopting another mode of computation, have imposed a substantially equal burden. *McCarroll v. Dixie Greyhound Lines, Inc.*, 309 U. S. 176, 180-183 (1940).

From the foregoing review we conclude that a state statute which, in the same provision or in separate provisions taken together, imposes a tax on life insurance premiums received from within the State by foreign (out-of-state) companies at a higher rate than that imposed upon, or without imposing any such tax upon, domestic company premiums received within the State, is discriminatory and would probably (subject to the qualification stated below) be held invalid. Statutes of this type are found in a number of States.

However, we believe that such a premium tax law would not be held invalid if it be shown that in some way or other the State imposes upon domestic companies only a corresponding tax sufficient in amount to equalize substantially the burdens on domestic and foreign companies.

Concerning the "corresponding burden" test, we find no basis in the precedents for believing that the Court would include *ad valorem* taxes paid by a domestic life insurance company on its home office building or other property, as a tax on intrastate commerce to be weighed against a premium tax, at a higher rate, imposed on the premium receipts, within the State, of foreign companies. If the state premium tax on foreign companies were "in lieu of all other taxes," including *ad valorem* property taxes, a closer question would be presented; yet even so, the Court would, it is believed, consider the *probable* effect of such a concession to foreign companies and not merely its theoretically possible effect. That a tax is to be tested by its "probable" effect on interstate commerce, see, for instance, *Best & Co. v. Maxwell*, *supra*; *Dahnke-Walker Milling Co. v. Bondurant*, 257 U. S. 232, 292 (1921). Indeed, we believe that the Court would hold another tax imposed solely on domestic companies to be a corresponding burden, only if it were imposed upon the same or a similar taxable event or value; for otherwise the equality of burden, even if proved in the case of a particular foreign company, would be a merely fortuitous effect of the statute. See *McCarroll v. Dixie Greyhound Lines, Inc.*, *supra*.

As to what the Court would deem a tax upon a *similar* taxable event or value we can give only a few indications. If any State imposes upon domestic life insurance companies, but not upon foreign life insurance companies, a license tax, privilege tax, gross receipts tax or gross income tax, fairly related to the volume of its premium receipts within the State, the amount of such a tax would probably be taken into account as an offset against a higher premium tax on foreign companies. Municipal taxes on premium receipts, imposed on domestic companies and not on foreign companies doing a comparable business in those municipalities, would apparently be taken into account. *General American Tank Car Corp. v. Day*, *supra*. Whether a tax imposed upon a company's agents is in effect a tax upon the company itself is a question to be answered by ascertaining the interpretation and practical operation of the particular statute.

In any event, the total burden imposed upon a domestic company under the comparable taxing scheme must be taken into account. For example, a gross income tax on domestic companies only would on its face be a burden corresponding to a percentage premium tax on foreign companies only; yet the deductions allowed under the former may be such that the corresponding burdens are substantially unequal. The same may be true of a State's *net* income tax on domestic companies only, even if such a tax were to be deemed comparable for this purpose to a higher premium tax on foreign companies.

II

CONGRESSIONAL PERMISSION FOR CONTINUED OPERATION OF STATE LAWS

Legislative and judicial decisions have established the constitutional doctrine that, by virtue of its power under the commerce clause, Congress can enable the States to take action with respect to interstate commerce which otherwise they

could not validly take. This power has been exercised on several occasions and with regard to various subjects of interstate commerce. It has been manifested in a number of different forms. It has been litigated at different times and on different aspects. Without exception, it has been sustained.

This doctrine can be invoked, we think, in the form of Congressional permission for the continued operation of state laws on insurance. And, subject to a question of some difficulty concerning discrimination to be considered later, it may provide a means of preserving the state tax laws now in force.

The doctrine of Congressional permission or consent to state action is almost as old as the Constitution itself. Thus, as early as 1789 Congress passed a statute which puts pilots under state law and as late as 1941 Congress gave the States a free hand to deal with interstate traffic in prize-fight films. Because of the difference in form of the statutes and their suggestiveness as to the phrasing of possible legislation the relevant provisions are quoted in full. The pilotage law provides:

"That all pilots in the bays, inlets, rivers, harbors, and ports of the United States, shall continue to be regulated in conformity with the existing laws of the State, respectively, wherein such pilots may be, or with such laws as the States may respectively hereafter enact for the purpose, until further legislative provision shall be made by Congress." (1 Stat. 54.)

And the film statute:

"That every film or other pictorial representation of any prize fight or encounter of pugilists, under whatever name, transported into any State, Territory, or possession, for use, sale, storage, exhibition, or other disposition therein is hereby divested of its character as a subject of interstate or foreign commerce to the extent that it shall upon crossing the boundary of such State, Territory, or possession, be subject to the operation and effect of the laws of such State, Territory, or possession enacted in the exercise of its police power." (54 Stat. 686.)

In the intervening period Congressional permission for state action received its best known application in connection with the long struggle of the States to control interstate traffic in intoxicating liquors. A virtual suggestion by the Supreme Court in *Leisy v. Hardin*, 135 U. S. 100 (1890) gave Congress new inspiration and perhaps a new clue. There it was said that the reason the state statute under which an interstate consignment of liquors had been seized could not be applied was because Congress had not given its "permission". In the words of the Court: "we hold that, in the *absence of congressional permission to do so*, the State had no power to interfere by seizure, or any other action, in prohibition of importation and sale by the foreign or non-resident importer." (p. 124, emphasis supplied.) Thereupon Congress passed the Wilson Act (26 Stat. 313) (1890) which, phrased differently from the pilotage law, declared that intoxicating liquors should on arrival in the State "be subject to the operation and effect of the laws" of the State, enacted in the exercise of its police power, "to the same extent and in the same manner as though" the liquors had been produced within the State. In sustaining the Wilson Act, as giving effect to a state law similar to that disallowed in *Leisy v. Hardin*, the Court offered another suggestion which has since influenced the form of Congressional permission. "No reason," said the Court, "is perceived why, if Congress chooses to provide that certain designated subjects of interstate commerce shall be governed by a rule which divests them of that character at an earlier period of time than would otherwise be the case, it is not within its competency to do so." *In re Rahrer*, 140 U. S. 545, 562 (1891). It will be noted that the fight film statute quoted above is phrased in "divesting" terms. But though the form of the permission has varied from time to time, the substantial results have been the same, namely, to remove impediments to the exercise of state power over interstate commerce and to free the States where otherwise they would be restrained.

The list of permissive statutes may be lengthened, but need not be exhausted here. Thus, in addition to the three already mentioned, the Webb-Kenyon Act of 1913 (37 Stat. 699) further enlarged the area of operation of state laws by "divesting" liquors of their interstate commerce character. Oleomargarine was likewise

"divested" in 1902 (32 Stat. 193). More recently, in 1929 and 1935, the Hawes-Cooper Act (45 Stat. 1084) and the Ashurst-Sumners Act (49 Stat. 494), respectively, dealt with interstate commerce in convict-made goods after the manner of the two laws with regard to intoxicating liquors. The Federal Power Act of 1935 (49 Stat. 803) directed federal licensees to "abide by such reasonable regulation" of services and rates as may from time to time be prescribed by the States. Finally, as indicative of the legislative estimate today, the majority of the Senate Committee considering the pending Bill relating to insurance (H. R. 3270) recently accepted the doctrine of Congressional permission as a matter of course, saying: "Certainly if Congress has the power to regulate the insurance business it also has the power, if it sees fit, to permit that regulation to continue through the States." (Senate Report No. 1112, 78th Congress, 2nd Session.)

In the courts the power of Congress to enable the States to effectuate their own policies through their own laws in respect of interstate commerce has received unbroken acceptance. The pilotage law was declared by the Supreme Court to be a "contemporaneous construction of the Constitution" and an "authoritative declaration" that until Congress should find it necessary to exert its power the subject matter should be left to the control of the States. *Cooley v. Board of Wardens of the Port of Philadelphia*, 12 How. 299 (1851). The Wilson Act was fully considered and sustained in the case already cited, *In re Rahrer*, 140 U. S. 545 (1891), and the Webb-Kenyon Act in *Clark Distilling Co. v. Western Maryland R. Co.*, 242 U. S. 311 (1917). The oleomargarine law was sustained in *United States v. Green*, 137 Fed. 179 (1905). The convict-made goods statutes were upheld in *Whitfield v. Ohio*, 297 U. S. 431 (1936), and *Kentucky Whip & Collar Co. v. Illinois Central R. Co.*, 299 U. S. 334 (1937). The Federal Power Act was approved in *Safe Harbor Water Power Corporation v. Federal Power Commission*, 124 F. (2d) 800 (C. C. A. 3d 1941).

Another development, parallel to that under the commerce clause and of no mean significance to the present problem, is to be found in the cases dealing with the immunity of governmental instrumentalities from taxation. The immunity doctrine was created for the purpose of throwing a protection around the operations of national instrumentalities as against state taxation, *McCulloch v. Maryland*, 4 Wheat. 316 (1819), and the immunity itself has recently been declared by the Court to be dependent upon the intention of Congress. Thus, in *Helvering v. Gerhardt*, 304 U. S. 405, 411nl (1938), Mr. Justice (now Mr. Chief Justice) STONE said that "the validity of state taxation of federal instrumentalities must depend (a) on the power of Congress to create the instrumentality and (b) its intent to protect it from state taxation." Also, he added, Congress may "curtail an immunity which might otherwise be implied," or "enlarge it beyond the point where, Congress being silent, the Court would set its limits." As a present day practical illustration of the matter, state taxation of national bank stock is based upon and limited by the permission of Congress; and the statute prohibits discriminatory rates. See *Owensboro National Bank v. Owensboro*, 173 U. S. 664 (1899), *Iowa-Des Moines Bank v. Bennett*, 284 U. S. 239 (1931). Similar rules have been applied for the protection of other instrumentalities of the National Government. *Pittman v. Home Owners' Loan Corp.*, 308 U. S. 21 (1939).

Assuming that some of the tax laws now in force may be found to be discriminatory against foreign insurance corporations, can Congress save them by its permission to the States? The question is, as we have already said, a difficult one. In another and prior memorandum we noted a caveat that under the present law, or at least the language of the cases, the power of Congress may be unavailing to sanction discrimination against interstate commerce. Calling attention to the frequently announced view that the commerce clause of its own force impliedly prohibits discrimination, we observed that if the Court adhered to that view Congress alone could not grant relief. On further study and consideration, however, of the developments in the Supreme Court, recent as well as more remote, we find several factors indicative of a wider power in Congress. (1) There is no decision that Congress cannot give its consent to discriminatory action. The Court has often said that the commerce clause of its own force prohibits discrimination, but there has been no occasion to determine whether or not Congress could sanction such action. (2) There is one line of cases indicating (but not deciding) that Congress may give its approval to discrimination. The Twenty-first Amendment, which

embodied the Webb-Kenyon Act, was held in *Finch & Co. v. McKittrick*, 305 U. S. 395 (1939), to permit discriminatory and retaliatory action by one State against the products of another State. The fact that a constitutional amendment was involved does not necessarily make the case irrelevant for our purpose; for a persuasive showing can be made that, in embodying the Webb-Kenyon Act (the language of the Amendment is largely a condensation of that Act) the Amendment has done no more than the Webb-Kenyon Act itself by way of releasing state power but has merely re-declared the pre-existing law and given it a place in the Constitution. (3) Inclusion of a provision against discrimination in the statute giving consent to taxation of national bank stock at least indicates that Congress deemed the provision necessary, that in its absence a discriminatory tax might be permissible. (4) On at least two occasions the Court has mentioned the "silence" or inaction of Congress in discussing the validity of discrimination. Thus in *Gwin, White & Prince v. Henneford*, 305 U. S. 434, 438 (1939), Mr. Justice STONE for the majority said: "but it is enough for present purposes that under the commerce clause, in the absence of Congressional action, state taxation, whatever its form, is precluded if it discriminates against interstate commerce * * *." In like vein Mr. Justice FIELD spoke about the statute held invalid in *Welton v. Missouri*, 91 U. S. 275, 282 (1876). (5) Certain views developed by Mr. Justice BLACK and by Mr. Chief Justice STONE both tend toward the full acceptance of Congressional sanctions. These views are concerned, respectively, with the very limited function of the Court to invalidate state laws impinging on interstate commerce or national laws having to do with intrastate affairs. To these considerations should be added of course, the presumption in favor of the Act of Congress.

While the outlook is by no means clear, we think an arguable case can be made that Congressional permission for the continued operation of the state tax laws now in force would not be held invalid.

* * *

There is one thing more about the problem of state laws on insurance to which we feel bound to refer, even though it is not included in our present reference. Perhaps, indeed, it is a matter which the industry would consider outside the field it may appropriately enter. We are convinced — it has been borne in on us from time to time and with much force as our study has progressed — that no satisfying and lasting solution of the general problem with which you are concerned can be effected without re-examination and some rebuilding of state laws on the subject of insurance. The understructure on which those laws have heretofore been rested has been swept away, as we have said, by the *South-Eastern* decision. We do not suggest that there is no other basis for an adequate and appropriate statutory structure. We think there is, though that basis may not be broad enough to support to the full the kind of structure which the States have previously built.

NOEL T. DOWLING
EDWIN W. PATTERSON

December 1944.

APPENDIX E
THE STATE OF SOUTH CAROLINA
In the Supreme Court

The Prudential Insurance Company of America,	}	
Petitioner,		
<i>vs.</i>		
D. D. Murphy, as Insurance Commissioner	}	
of the State of South Carolina,		
Respondent.		

IN THE ORIGINAL JURISDICTION

Case No. 2628
Opinion No. 15773
Filed September 13, 1945

PETITION DISMISSED

McKay & McKay, of Columbia, for petitioner.

John M. Daniel, Attorney General, M. J. Hough and T. C. Callison, Assistant Attorneys General, all of Columbia, for respondent.

PER CURIAM: For a great many years, perforce the decision of the Supreme Court of the United States in *Paul vs. State of Virginia*, 75 U. S. (8 Wall.) 168, 19 L ed 357, the transaction of the business of insurance across state lines was not interstate commerce and, therefore, was not subject to the control of Congress. 29 Am. Jur., Insurance, Sec. 35. This long standing status was upset by the result of the recent case of *United States vs. South-Eastern Underwriters Ass'n.*, 322 U. S. 533, 64 S. Ct. 1162, 88 L ed 1440. Overruling the earlier case, the latter held that when the insurance business crosses state boundaries, it is interstate commerce. Because of the complexities and colossal nature of this far-flung business, it was feared in many quarters that considerable chaos might result from the departure of the South-Eastern Underwriters decision from the former rule, but for an Act of Congress which was soon thereafter passed.

The latter is known as the McCarran Act, passed February 27, 1945, Public Law 15, 79th Congress. The portions pertinent to the present controversy are set out below:

“Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, Section 1. That the Congress hereby declares that the continued regulation and taxation by the several States of the business of insurance is in the public interest, and that silence on the part of the Congress shall not be construed to impose any barrier to the regulation or taxation of such business by the several states.

“Sec. 2. (a) The business of insurance, and every person engaged therein, shall be subject to the laws of the several States which relate to the regulation of taxation of such business.

“(b) No Act of Congress shall be construed to invalidate, impair, or supersede any law enacted by any State for the purpose of regulating the business of insurance, or which imposes a fee or tax upon such business, unless such Act specifically relates to the business of insurance: Provided, That after January 1, 1948, the Act of July 2, 1890, as amended, known as the Sherman Act, and the Act of October 15, 1914, as amended, known as the Clayton Act, and the

Act of September 26, 1914, known as the Federal Trade Commission Act, as amended, shall be applicable to the business of insurance to the extent that such business is not regulated by State law."

Unquoted Sections 3 and 4 preserve the applicability of certain provisions of the Sherman Act and the applicability of the National Labor Relations Act, the Fair Labor Standards Act and the Merchant Marine Act.

The Prudential Insurance Company of America is in this State a "foreign" life insurance company, that is, it is incorporated under the laws of New Jersey and its home office and the bulk of its property are located in the city of Newark in that State. However, it has solicited business and sold insurance contracts and policies to residents of South Carolina since the year 1897. At the end of 1944 it had in force in this State 26,373 policies insuring the lives of about twenty thousand persons for amounts aggregating over thirty million dollars; and paid claims in that year of \$457,602.28 on policies covering the lives of South Carolinians. (In the face of these figures it does not appear that the tax law now resisted was "hostile in conception" or is "burdensome in result," — the words of Mr. Justice Cardozo in *Baldwin vs. G. A. F. Seelig, Inc.*, 294 U. S. 511, 55 S. Ct. 497, 79 L ed 1032.)

The Company brought this action in the Original Jurisdiction of this Court, by permission, in attack upon the validity of the license tax of three per cent which it has heretofore paid on premiums collected here, under the provisions of the present Sections 7948 and 7949 of the South Carolina Code of Laws of 1942. While the tax is a flat one, as indicated, it is subject to a graduated reduction in proportion to the amount of certain financial investments which the company may make and report in the State of South Carolina.

It is not contended that the latter or any other feature of the law under attack is discriminatory against petitioner as compared with any other member of the class to which it belongs, to wit, "foreign" insurance companies. But it is alleged that this tax which has before been paid without protest by petitioner has become invalid, and therefore unenforceable, by reason of the law declared in the *South-Eastern Underwriters* case, *supra*, in view of the Federal constitutional authorization of Congress to regulate commerce among the states, and the many decisions of the Federal Courts thereabout. It is also alleged in the petition that the tax violates a section of our State Constitution, but the point was not argued and is, therefore, deemed to have been abandoned in accord with the established rule.

Petitioner presents a two-pronged attack, first that the tax constitutes a burden upon its interstate business, transacted in part within the state, and, second, that it is discriminatory against petitioner for it is not applicable to insurance corporations of the state, domestic companies, which are exempted from the law's provisions. The respondent, the Insurance Commissioner of the state and charged with the enforcement of the law, first contends that the proceeding is really against the State itself, which is immune from suit without its express permission. His demurrer and return also raise the other issues which will be discussed.

Disposition will be first made of the point of the respondent that the action is not maintainable because it is in reality against the State, without its permission, and, therefore, in violation of its sovereign immunity from suit. This is foreclosed by former pronouncements of this Court, in view of the fact that there is no adequate remedy at law, such as payment of the taxes under protest and suit for recovery, if they are illegally assessed. It was said in *Santee River Cypress Co. vs. Query*, 168 S. C. 112, 167 S. E. 22, as follows: "It is not only within the power of a Court of equity, but the duty rests upon it, to enjoin the collection of an illegal tax in those cases where no adequate legal remedy is provided for the aggrieved taxpayer. *Ware Shoals Mfg. Co. vs. Jones*, 72 S. C. 211, 58 S. E. 811." The eleventh amendment to the Federal Constitution, attempted to be invoked by respondent, is expressly applicable only to the Courts of that jurisdiction. *Federal Land Bank of Columbia vs. State Highway Department*, 172 S. C. 174, 173 S. E. 284. *State of Missouri vs. Fiske*, 290 U. S. 18, 54 S. Ct. 18, 17 L ed —.

We proceed then to the heart of the controversy. It is the clear intent of Congress to refrain for the present from the regulation and taxation of insurance, even as to the activities of it which undoubtedly constitute interstate commerce under

the authority of *United States vs. South-Eastern Underwriters Ass'n*, supra, with the exceptions hereinabove noted.

It would be difficult, if not impossible, to compose clearer statements than are contained in Sections 1 and 2(a) of the McCarran Act, which are quoted again for emphasis:

"Section 1. That the Congress hereby declares that the continued regulation and taxation by the several States of the business of insurance is in the public interest, and that silence on the part of the Congress shall not be construed to impose any barrier to the regulation or taxation of such business by the several States.

"Sec. 2 (a). The business of insurance, and every person engaged therein, shall be subject to the laws of the several States which relate to the regulation or taxation of such business."

It should be said for a first ground for refusal of the injunction sought that, upon examination, the license tax which petitioner resists for the first time, and so far apparently alone among the many non-resident insurance companies operating in the state, may not be as burdensome as first appears, or even at all so, and may, therefore, be also non-discriminatory against a "foreign" company, such as petitioner, and in favor of a domestic (resident) company, which latter is expressly exempt from this particular tax. In this view, it is neither a burden upon interstate commerce nor discriminatory against a foreign company. Statistics are included in the petition and uncontested by the return which show the amount of the premiums tax paid by petitioner and certain taxes paid by comparable, competing domestic companies, but they confessedly do not include the property taxes paid by the resident companies on their home office buildings, furniture, equipment, personal property investments, etc., — taxes of a nature which petitioner pays none here which correspond. The petitioner doubtless pays in its home state of New Jersey, but not here, as do the resident companies. It does not appear in the record whether the state of New Jersey, has a similar license tax to that of South Carolina (applicable to our and other nonresident insurance companies which may do business there) to which petitioner now objects, but the tax is not at all uncommon among the states. Annotations, 49 ALR 726, 77 ALR 1490 and 83 ALR 464.

Thus, upon the showing made, there is no merit in the contention that the tax is discriminatory for there is no proof that there is a net or real discrimination against petitioner, a foreign insurance company, as compared with a domestic one, under the tax laws of this state, to which it is subject in the conduct of its business here.

Turning to the gravamen of the complaint, that the tax being upon interstate commerce is *ipso facto* a burden thereon, irrespective of discrimination, we see no reason on the record or in argument to hold that it was not intended to be included by Congress in the "taxation by the several states of the business of insurance," which the McCarran Act declared is in the public interest and directed that the insurance business should continue to be subject thereto.

Congress is authorized by the Constitution of the United States to regulate commerce between the states. The words of that great document are quite plain thereabout, as follows: "The Congress shall have power . . . (3) To regulate commerce with foreign nations, and among the several States, and with the Indian tribes." Art. 1, par. 8.

We are unable to see therein any obstacle to the course of Congress in deliberately refraining from regulation of any particular field of interstate commerce, which course is clearly charted by the McCarran Act insofar as regulation by taxation of the insurance business is concerned, unless a necessity for uniformity should require the desistance of the states. We are unable to perceive the latter condition with respect to the taxation of insurance companies. Certainly they have thriven under the existing system of state taxation. The staggering figures in the record in this case, indicating the gigantic size of petitioner's business, prove it.

It is repeated for emphasis and clarity that there is no apparent necessity for uniformity of the rate of the premium receipts tax of the various states which would invalidate (on that account alone) state legislation upon the subject, which lies in a field deliberately and advisedly unoccupied by Congressional legislative

action. *Kelly vs. State of Washington* 302 U. S. 1, 58 S Ct 87, 82 L ed 3. It might with equal reason be contended that the property tax assessments and rates should be the same in all states, which we think has never been proposed. See, for lack of a federal question in such a tax (at the time of that decision), *Continental Assur. Co. vs. Tennessee*, 311 U. S. 5, 61 S Ct 1, 85 L ed 5.

There is a very long-standing precedent for the propriety and efficacy of the McCarran Act. It is found in *Cooley vs. Port Wardens*, 12 How (US) 299, 13 L ed 996. There one of the major questions was the validity of a law of Pennsylvania fixing pilotage fees (the proceeds of which were applied to the relief of indigent local pilots and their dependents) affecting ocean shipping in interstate commerce. At the first session of Congress it was enacted on Aug. 7, 1789 (1 Stat. at Large 54) that pilots should be under the regulations of the state laws, present and future, until further legislation by Congress. Upon the strength of the latter, the local law was upheld and the Court expressly said that the grant of commercial power to Congress (the commerce clause) does not contain any terms which exclude the states from exercising authority over its subject matter. The principle of this decision is stated in the modern text of American Jurisprudence, Vol. 11, p. 18, as follows: "Strictly speaking, Congress cannot delegate to the states its power over interstate and foreign commerce. However, where the subject is one upon which the states have the power to legislate in the absence of action by Congress, it may validly be provided by Congress that state statutes shall be controlling." And see the approving citation of it in the Minnesota Rate Cases (*Simpson vs. Shepard*) 230 US 352, 57 L ed 1511, 33 S Ct 729, 48 LNS 1151, Ann Cas 1916A, 18.

The author of the opinion of the Court in *United States vs. South-Eastern Underwriters Ass'n*, supra, pointed the way to the course thus far followed by Congress when he said:

"Another reason advanced to support the result of the cases which follow *Paul v. Virginia*, has been that, if any aspects of the business of insurance be treated as interstate commerce, 'then all control over it is taken from the States and the legislative regulations which this Court has heretofore sustained must be declared invalid.' Accepted without qualification, that broad statement is inconsistent with many decisions of this Court. It is settled that, for Constitutional purposes, certain activities of a business may be intrastate and therefore subject to state control, while other activities of the same business may be interstate and therefore subject to federal regulation. And there is a wide range of business and other activities which, though subject to federal regulation are so intimately related to local welfare that, in the absence of Congressional action, they may be regulated or taxed by the states. In marking out these activities the primary test applied by the Court is not the mechanical one of whether the particular activity affected by the state regulation is part of interstate commerce, but rather whether, in each case, the competing demands of the state and national interest involved can be accommodated. And the fact that particular phases of an interstate business or activity have long been regulated or taxed by states has been recognized as a strong reason why, in the continued absence of conflicting Congressional action, the state regulatory and tax laws should be declared valid."

From one of the supporting cases cited by the Court for the foregoing, *New York Life Ins. Co. vs. Deer Lodge County*, 231 US 495, 34 S Ct 167, 56 L ed 332, the following is quoted:

"There are cognate cases to the cited cases, of contracts incident to commerce, but not of themselves commerce. In *Williams vs. Fears*, 179 US 270, 45 L ed 186, 21 Sup. Ct. Rep. 128, there was levied by the state of Georgia a tax upon each emigrant agent or employer or employee of such agent, doing business in the state. The law imposing the tax was attacked as a violation of the commerce clause of the Constitution of the United States. Commerce was defined, quoting Mr. Justice Field, in *Mobile County vs. Kimball*, 102 US 691, 702, 26 L ed 238, 241, to 'consist in intercourse and traffic, including in these terms navigation and the transportation and transit of persons and property, as well as the purchase, sale and exchange of commodities.' The Court considered the definition comprehensive enough for the purpose of the case, and, testing

its application, said, by Mr. Chief Justice Fuller: 'These agents were engaged in hiring laborers in Georgia, to be employed beyond the limits of the state. Of course, transportation must eventually take place as the result of such contracts, but it does not follow that the emigrant agent was engaged in transportation.' The Conclusion was supported by cases, among others, *Paul vs. Virginia* and *Hooper vs. California*. On the authority of the same cases and *New York L. Ins. Co. vs. Cravens*, in *Ware & Leland vs. Mobile County*, 209 US 405, 52 L ed 855, 28 Sup. Ct. Rep. 526, 14 Ann Cas 1031, it was held that contracts by brokers for the sale of cotton for future delivery, where the transactions were closed by contracts completed and executed in one state, although the orders were received from another state, were legally subject to a tax. Such contracts, it was said, were not 'the subjects of interstate commerce, any more than in the insurance cases, where the policies are ordered and delivered in another state than that of the residence and office of the company.' 'In *Engel vs. O'Malley*, 219 US 128, 55 L ed 128, 31 Sup. Ct. Rep. 190, a law of New York forbade individuals or partnerships to engage in the business of receiving deposits of money for safekeeping or for the purpose of transmission to another, or for any other purpose, without a license from the comptroller. It was attacked as a violation of the commerce clause of the Constitution. The case was decided to be similar in principle to *Ware & Leland vs. Mobile County* and *Williams vs. Fears*, and the law was sustained.'

In the dissenting opinion of the Chief Justice to the judgment of the majority in the *South-Eastern Underwriters* case, he emphasized the confusion and conflict (between national and state jurisdiction) which he anticipated; but the most that he said concerning "state taxes which may now be thought to discriminate against the interstate commerce" (his words) was that they would be of seriously doubtful validity. And this was, of course, before the important enactment by Congress of the McCarran law, which was manifestly intended to allay such fears and doubts by temporarily, at least, removing the grounds of them.

The old, but leading, case of *Crutcher vs. Kentucky*, 141 US 47, 11 S. Ct. 851, 35 L ed 649, contains the significant statement in the opinion that is emphasized in the following quotation:

"To carry on interstate commerce is not a franchise or a privilege granted by the State; it is a right which every citizen of the United States is entitled to exercise under the Constitution and laws of the United States, and the accession of mere corporate facilities, as a matter of convenience in carrying on their business, cannot have the effect of depriving them of such right, *unless Congress should see fit to interpose some contrary regulation on the subject.*"

In this instance Congress has seen fit to interpose, and has interposed, a "contrary regulation on the subject" by passage of the McCarran Act which is quite simple in its effect, that, is, that for the present the regulation (with certain now irrelevant exceptions) and taxation of the interstate business of insurance shall continue by the states. The Act goes further, that any possible doubt may be removed, by the inclusion of the provision to the effect that there is no silence of Congress which might be construed to mean that this form of interstate commerce should go on without regulation or any state legislation which might be held to be a burden upon it and, therefore, in conflict with the Commerce clause of the Constitution.

Congress has plenary power over interstate commerce and we know of no legal obstacle to the exercise of it embodied in the McCarran Act. "Since the commerce clause of the Federal Constitution is not a limitation upon the power of Congress, a statute enacted by Congress, for the District of Columbia, imposing a tax upon the privilege of doing business within the district, is not subject to the objection that it interferes with or is a burden upon interstate commerce. *General Electric Co. vs. District of Columbia* (1940) 71 App DC 321, 110 F(2d) 261; *Colgate Palmolive Peet Co. vs. District of Columbia* (1940) 71 App DC 324, 110 F (2d) 264. Both of these decisions followed *Neild vs. District of Columbia* (1940) 71 App DC 306, 110 F (2d) 246, which involved a copartnership rather than a foreign corporation." 139 ALR 951.

The brunt of petitioner's argument has been answered in what has been said, but it is incidentally also contended that the application of the tax to the premiums received by petitioner upon its South Carolina business violates the equal protection and due process clauses of the Fourteenth Amendment to the Federal constitution (which are also embraced in Art. 1, Sec. 5 of our State Constitution). But, in any view of it, it does not, under the decisions of the United States Supreme Court. There need only be cited the current case of *Lincoln Nat. Life Ins. Co. vs. Read*, US, 65 S Ct 1220, L ed, which was decided during the pendency of this proceeding.

Report of the latter case discloses that the State of Oklahoma levies a premium tax on foreign life insurance companies, similar to the tax questioned in the case at bar, imposed by the State Constitution, and the legislature increased the tax to four per cent. The plaintiff in the action was an Indiana corporation and resisted payment upon the ground that the assessment was discriminatory, because not applicable to domestic insurance companies, and is, therefore, violative of the Fourteenth Amendment. The Court made short shrift of the contention and upheld the tax. Question was there also raised concerning a point not involved in the instant contest to wit, that the plaintiff company was admitted to do business in the state before the statutory increase of the tax, which was, therefore, not legally applicable to it. (*Hanover Fire Ins. Co. vs. Harding*, 272 US 494, 47 S Ct 179, 71 L ed 372, 49 ALR 713.) The Court also overruled this contention, upon facts similar to those of our case. But, as already stated, that point is not made in the present proceeding. It appears that the position was not taken in that case that the plaintiff was engaged in interstate commerce, and the question was not discussed, but the case was decided long after the decision in the *South-Eastern Underwriters Ass'n* case, and also after passage of the *McCarran Act*.

Also decided after the *South-Eastern Underwriters Ass'n* case, but apparently before the *McCarran Act*, was *First Nat. Ben. Soc. vs. Garrison*, 58 Fed. Supp 972, in which the plaintiff, an Arizona company, challenged the validity of the California statute regulating the conduct of the insurance business in that state. Taxation was not involved but the lengthy opinion is enlightening upon the subject of the status of the law after the adjudication by the Supreme Court (in the *South-Eastern Underwriters* case) that insurance is commerce, interstate where it crosses state lines, and in the absence of Congressional legislation. State regulation was upheld.

One of the postulates set forth in the *Garrison* decision, number two, is as follows: "It is a well established principle that Congress may circumscribe its regulation of interstate commerce and occupy a limited field . . ." (It is very clear to us that Congress has expressly circumscribed its regulation of the interstate business of insurance by the enactment of the provisions of the *McCarran Act*.) Cited with approval was another of the utterances of the Chief Justice in his dissenting opinion in the *South-Eastern Underwriters* case (not at all, however, in conflict with the leading opinion) to the effect that the judgment of the Court in the latter case nowhere gave the slightest intimation that all state laws governing insurance companies were rendered *ipso facto* void but that such matters would have to be decided by a case-to-case determination with consideration of all the respective relevant facts and circumstances; and the California District Court concluded (and this was before the *McCarran Act*) that it is conceivable that as Congress legislates on insurance, state laws will fall, but only to the extent that they are supplanted (supplanted?) by Federal legislation, and that in the meantime state statutes will continue to control. There were further copious quotations from the opinion of Mr. Chief Justice Stone, with which this opinion need not be extended.

Upon the factual consideration aforementioned and the legal grounds stated, the petition is dismissed, the rule discharged, the temporary restraining order (heretofore issued) dissolved and permanent injunction denied.

D. GORDON BAKER,	C. J.
E. L. FISHBURNE,	A. J.
T. H. STUKES,	A. J.
C. A. TAYLOR	A. J.
G. DEWEY OXNER,	A. J.

APPENDIX F
UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF CALIFORNIA
CENTRAL DIVISION

First National Benefit Society,
a corporation,

Plaintiff,

vs.

Maynard Garrison,
Insurance Commissioner of the
State of California and
H. F. Risbrough, Mae Barr Long, Doe I,
Doe II, Doe III, Deputy Insurance
Commissioners of the State
of California, and Alvin J. O'Lein,
and Doe IV and Doe V,

Defendants.

No. 3895 O'C Civil

OPINION
OF
THE COURT

Earl Blodgett and Robert R. Weaver, of Los Angeles, California, and of Phoenix,
Arizona, counsel for the Plaintiff.
Robert W. Kenny, Attorney General of the State of California, and T. A. West-
phal, Jr., Deputy Attorney General, San Francisco, California, counsel for
the Defendants.
O'Connor, J. F. T., Judge

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In the above entitled action, the First National Benefit Society, a non-profit corporation organized and existing under the laws of the State of Arizona, the plaintiff herein, has filed in this court, under date of September 23rd, 1944, a complaint for an injunction against Maynard Garrison, Insurance Commissioner of the State of California and H. F. Risbrough, Mae Barr Long and three Does as Deputy Insurance Commissioners of the State of California and Alvin J. O'Lein and Does IV and V, individually, alleging that it is a non-profit corporation duly organized and existing under and by virtue of the laws of the State of Arizona and operating by virtue of a certificate of authority from the Arizona Corporation Commission, that it is duly and regularly examined by the insurance department, a sub-division of the said Commission, at least once yearly, and is authorized by law to issue benefit certificates and is engaged exclusively in the business of furnishing benefits upon the death of its members, with its principal place of business in the City of Phoenix, Arizona, but that it has never maintained an office or agency in the State of California and has never done business in the State of California. Plaintiff further alleges that it has members in several States of the United States including many members in the State of California, and that many of them were acquired by application by mail from the member to the home office in Phoenix, Arizona; that many of them were acquired by contract of assumption from California corporations; that all applications for certificates in the plaintiff corporation are accepted or rejected in the city of Phoenix, Arizona; that all certificates of membership are issued at Phoenix, Arizona, and all premiums, dues and assessments are payable directly to the home office at Phoenix, Arizona. The complaint, after alleging the requisite jurisdictional facts, continues:

"That plaintiff has upon many occasions received inquiries from persons residing in the State of California in regard to its insurance policies or benefit certificates and has thereupon sent its representatives, also members of the said Society, to call upon persons making such inquiries; that applications have been signed by the said residents of California and thereupon forwarded to the home office for acceptance or rejection; that upon acceptance of the said applications the policies are issued at the home office at Phoenix, Arizona, and mailed directly to the insured with notice to pay all premiums at the home office; . . . that upon many occasions the defendant, Maynard Garrison, acting through his deputies, under claim of right but actually without right and in violation of the commerce clause of the Constitution of the United States, and repugnant to the Fourteenth Amendment of the Constitution of the United States, has interfered with the said representatives and has threatened them with prosecution if they persisted in aiding in such transactions."

The complaint then gives the names of persons who have been ordered not to assist in such transactions for plaintiff, which transactions, according to the plaintiff, constitute interstate commerce and the assistance rendered by these agents is but one step in a chain of events constituting an interstate transaction. The complaint further alleges that said defendants in the past have interfered with, and threaten to continue in the future their interference with, any representatives of plaintiff aiding in such interstate transactions to the great and irreparable injury to plaintiff; that pecuniary compensation would not afford adequate relief and that plaintiff has no plain, speedy or adequate remedy at law as it would involve a multitude of legal actions to determine the rights of agents in each individual case.

Further, the complaint continues, that plaintiff is qualified to do a life insurance business in Arizona; *that there is no provision for the admission of any such company in the State of California on any basis whatsoever; that only those foreign companies which transact their life insurance business on the legal reserve basis or fraternal basis can be so qualified; that the State of California has not regulated and has no provision for the regulation of such business but has excluded all foreign companies from transacting such business within its borders but does provide for the regulation of local companies transacting that business and that the defendants have been and are continuing to discriminate against plaintiff and to interfere with its interstate transactions.* (Italics supplied.)

Further continuing: "That the defendants under a claim of right, but actually wrongfully and unlawfully did write and orally counsel members of the said First National Benefit Society, and did advise said members to sever connection with the said society and forfeit their certificates therein; that said defendants advised members of said society that its certificates were 'illegal' and that they were 'not worth the paper they were written on,' which statements are false and untrue, and that said defendants entered upon a campaign of molestation and interference with members of said plaintiff; and that plaintiff has already been damaged in the sum of one million two hundred thousand dollars."

While the complaint goes further into detail, it is believed that the foregoing enumerated facts, as alleged in the complaint, reflect a comprehensive picture of the plaintiff's contention, and will be a sufficient predicate for the fundamental principles of constitutional law which the court will apply thereto in rendering a decision in this case. The defendant Alvin J. O'Lein, sued individually, has been voluntarily dismissed from the case.

To this complaint the defendants, not as individuals, for they are not being sued as individuals, but in their legal capacities, have filed a motion to dismiss or a motion for a more definite statement under the Federal Rules of Civil Procedure, together with their points and authorities. Counsel for the plaintiff has filed his points and authorities in opposition thereto, the matter came before the court for argument and was thereupon submitted on briefs to be filed. These briefs have been filed, and the motion of the defendants to dismiss or for a more definite statement is now before the court for decision; and, for the purpose of rendering an opinion in this case, it must be assumed by the court that all of the allegations in the complaint for injunction and damages are true.

Counsel for both sides have been exceedingly helpful to the court in furnishing

extensive points and authorities and briefs on this very important subject which have been quite illuminating. As the court views the facts, this case can be readily determined on three basic principles of constitutional law, namely, (1) the commerce clause of the Federal Constitution, (2) the police power, and (3) the right of a person to sue one of the United States without its consent, under the Eleventh Amendment to the Federal Constitution. The court takes judicial notice that insurance is now interstate commerce under the commerce clause of the Federal Constitution, (Article I, Sec. 8, Clause 3) in accordance with the Supreme Court decision in the case of *United States v. South-Eastern Underwriters Assn.*, 322 U.S. 533; 64 Sup. Ct. Rep. 1162; 88 L. ed. 1082, subject to legislation by the National Congress and that thus far the National Congress has not passed any legislation on this phase of our national life as a result of the foregoing decision. There being no insurance cases which have been decided subsequent to this decision that would be illuminative to the court in deciding this case, it will be necessary, in reaching a decision to deal with analogous situations.

As to the status of the plaintiff in California, from the standpoint of the Insurance Commissioner, Maynard Garrison, counsel for the defendants in their opening brief have this to say:

"Plaintiff states in its allegations that it is a mutual non-profit benefit insurance company. Its character is clarified by plaintiff in the statement contained on page 8, lines 21-24, of its Points and Authorities in opposition to Defendant's motion to dismiss and/or motion for more definite statement that Chapter IX of the California Insurance Code being Sections 10810 to 10940 provide for California companies on a stipulated premium plan and are similar to the plan of plaintiff, *** This description, and particularly the reference to Section 10810, can only mean that plaintiff issues death benefit certificates under a stipulated premium plan, with a right of assessment against certificate holders.

Such a plan of operation was permitted in California, both as to foreign insurance and domestic insurers, prior to 1939, provided that certain reserves were maintained (Calif. Stats. 1935, Chap. 282). Under the provisions of California statutes of 1939, Chapter 327, such companies, known as Chapter 9 companies, organized prior to 1939 were and are permitted to continue in business in this State, but section 10818 of the Insurance Code forbids any new insurer to be organized or *admitted* under that chapter on and after January 1, 1940, with certain exceptions not here relevant.

This ban on Chapter 9 companies applies equally to foreign and to domestic companies so that plaintiff is not discriminated against as alleged on page 5, lines 15-17 of its complaint.

There is, however, no ban on foreign companies or plaintiff from transacting insurance in California if they meet California standards. Plaintiff can be licensed in California if it will comply with the California Insurance Code, and particularly Section 10510. Section 10510 provides:

'An incorporated life insurer issuing policies on the reserve basis shall not transact life insurance in this State unless it has a paid-in capital of at least two hundred thousand dollars (\$200,000).'

Paid-in capital is defined in Section 36 in part as follows: '(a) In the case of a foreign mutual insurer not issuing or having outstanding capital stock, the value of its assets in excess of the sum of its liabilities for losses reported, expenses, taxes, and all other indebtedness and reinsurance of outstanding risks as provided by law. Such foreign mutual insurer shall not be admitted, however, unless its paid-in capital is composed of available cash assets amounting to at least two hundred thousand dollars (\$200,000).'

In other words, in California, foreign or domestic life companies cannot do business in this State unless this reserve requirement is met. There are no exceptions except as to companies existing and doing business in California prior to the enactment of present laws. The policy behind the law is, of course, that experience has shown that without such reserves and surplus a mutual benefit

company doing business on the stipulated premium plan with right of assessment is not adequately safeguarded to insure that money will be available to pay death benefits. However, California permits such companies, foreign or domestic, operating in California prior to January 1, 1940, to continue in order to protect contracts written prior to that date. It is clear that California does not discriminate against foreign companies."

In order that plaintiff's position may likewise not be misunderstood there is also set out the reasons for its contention that it is entitled to transact an insurance business in California relying, as it does, upon the recent Supreme Court decision in the case of *United States v. South-Eastern Underwriters Assn.*, 322 U. S. 533; 64 Sup. Ct. Rep. 1162; 88 L. Ed. 1082, without the necessity of complying with the insurance laws of the State of California. I quote:

"Now, after seventy-five years, the Supreme Court, in applying the Sherman Anti-Trust Act to the South-Eastern Underwriters Association, has reversed the old case of *Paul vs. Virginia*, and held that 'insurance is commerce and where conducted across state line is interstate commerce.'

It is then, the effect which this decision may have upon the right of the States to regulate this field of interstate commerce which is involved in this case. . . .

This case is not, as counsel says, 'an attempt by a foreign insurance company to transact business in the State of California without meeting the standards of safety set by that State,' but it is the presentation of the question which everyone connected with the insurance business now knows must be presented to the Supreme Court, and that is can the State of California or any State reach out across its state lines and regulate the corporate structure, the actuarial standard, and even the bookkeeping basis as well as complete regulation of such foreign companies' business in every state in the Union for the privilege of transacting an interstate business with the citizens of California or the state attempting to so regulate, even though such business may be small in comparison to the company's business elsewhere.

This case does not present the question as to whether or not the laws of California will be nullified but as to whether the State of California can nullify the laws of every other state in the Union if the companies organized in those states are to do an interstate business with the citizens of that state.

We are not contending, as counsel seems to intimate, that all state legislation is nullified.

This entire matter revolves around the question as to whether or not the plaintiff must obtain the consent of the State of California to transact an interstate business with its citizens when that consent requires the conforming of its entire business, which is spread over every state in the Union, to the regulations of the State of California. Many regulatory measures could be enacted by a State for the protection of its citizens, without the right to require a foreign corporation to obtain the states' consent to transact an interstate business with its citizens. . . .

Counsel then attempts on the same page to inject into (the) situation of the insurance business a requirement of an incorporated life insurer issuing policies on the reserve plan the requirement of a \$200,000 capital which taken together with the following page indicates that it is a requirement for mutual benefit societies. As a matter of fact the section, 10510 applies to legal reserve life insurance companies and not to mutual benefit companies. The laws of no state in the Union require a \$200,000 capital for mutual benefit societies. The California law which counsel's arguments themselves indicate have created a monopoly for local California companies now in existence require a deposit of \$25,000 which is all of the capital requirement. A requirement which this plaintiff could meet many times over. In fact, there is no showing or contention before this court that plaintiff does not meet all the requirements which counsel has indicated are necessary except the one of asking the State of California for permission to do an interstate business with its citizens. Counsel says it is the policy of the law that the \$200,000 reserve requirement be met. He does not know what reserve requirement this plaintiff can or does meet. He only knows that it has transacted business across state lines with its citizens

which does not constitute doing an intrastate business in California, without asking the permission of the State of California.

The very sections which counsel cites as setting up these requirements are a part of the Chapters setting out, among others, requirements of investment values in the insurance policies provided for in these Chapters which make the larger reserve necessary. Furthermore the laws of the State of Arizona under which plaintiff is transacting its business, Sections (Amended 1943) 53-601 of the 1939 Arizona Code prohibit plaintiff from issuing such policies so that all counsel is saying is that if plaintiff will ignore the laws of the state under which it is organized and in fact if it will violate those laws and comply with laws of California enacted for entirely different types of companies it can be admitted to do business in California."

The court deems it advantageous to set out the contention of each side, *in extenso*, as to the construction to be placed upon the California code sections in view of the fact that counsel are in disagreement thereon; but the court does not consider a conciliation necessary on this particular point for the fundamental question for solution is whether the State of California, under its police power, and consonantly with the decision of the Supreme Court in *United States v. South-Eastern Underwriters Association, et al.* (supra) holding that insurance is interstate commerce, can still prohibit the plaintiff from conducting an insurance business in California without complying with its local laws? The court prefers to decide this issue on broad general principles of constitutional law. *Major continet in so minus.* (C. J. 38, p.339).

Status of law prior to the decision of the Supreme Court of the United States in the case of *United States vs. South-Eastern Underwriters Assn.*, 322 U. S. 533; 64 Sup. Ct. Rep. 1162; 88 L. Ed. 1082.

Prior to the decision of *United States v. South-Eastern Underwriters Assn.*, (supra) decided June 5th, 1944, the business of insurance was not deemed to be commerce and a State could exclude foreign insurance companies or prescribe the terms and conditions under which they could do business;¹ therefore these prior authorities are of no assistance to the court, but the case of *United States vs. South-Eastern Underwriters Assn.* (supra) which was a criminal prosecution of a group of fire insurance companies under the Sherman Anti-Trust Act, overthrew this line of decisions of seventy-five years' standing and decided for the first time that insurance is interstate commerce and the case before the court will have to be decided on that basis.

Plaintiff undoubtedly would have this court believe that as a result of that decision the plaintiff is now free for the first time to transact its insurance business in California unmolested by the laws of this State, even though the National Congress has not legislated upon the subject of insurance, of which fact this court can take judicial notice. Plaintiff contends, inferentially at least, that the police power of the State is now ineffectual as a prohibition thereof, otherwise it would not be bringing this suit for an injunction and damages. With this assumption the court cannot agree, and the case of *United States vs. South-Eastern Underwriters Assn.*, (supra) affords no ground for taking this position.

Mr. Justice Black, who wrote the majority opinion of the court said:

"Another reason advanced to support the result of the cases which follow *Paul v. Virginia* has been that, if any aspects of the business of insurance be treated as interstate commerce, 'then all control over it is taken from the States and the legislative regulations which this Court has heretofore sustained must be declared invalid' (*New York Life Ins. Co. v. Deer Lodge County*, 231 U. S.

¹ *Paul v. Virginia*, 8 Wall, 168 (1869); See also *Liverpool & L. Life F. Ins. Co. v. Oliver*, 10 Wall, 566 (1871); *Fire Assn. of Philadelphia v. New York*, 119 U. S. 110 (1886); *Hooper v. California*, 155 U. S. 648, 65 (1895); *Noble v. Mitchell*, 164 U. S. 367 (1896); *Allgeyer v. Louisiana*, 165 U. S. 578 (1897); *New York L. Ins. Co. v. Crawns*, 178 U. S. 369 (1900); *Nutting v. Massachusetts*, 183 U. S. 553, 556 (1902); *Harford F. Ins. Co. v. Perkins*, 125 Fed. 502 (1903), appeal dismissed 196 U. S. 643 (1905); *Security Mut. L. Ins. Co. v. Previtt*, 202 U. S. 246 (1906); *National Union F. Ins. Co. v. Wanberg*, 260 U. S. 61 (1922); *Bothwell v. Buckbee-Mears Co.*, 275 U. S. 274 (1927); *New York L. Ins. Co. v. Deer Lodge County*, 231 U. S. 495 (1914).

495, 509). Accepted without qualification, that broad statement is inconsistent with many decisions of this court. It is settled that, for Constitutional purposes, certain activities of a business may be intrastate and therefore subject to state control, while other activities of the same business may be interstate and therefore subject to federal regulation (see e. g. *Crutcher v. Kentucky*, 141 U. S. 47, 59-61; *Atlantic Refining Co. v. Virginia*, 302 U. S. 22, 26; *McGoldrick v. Berwind-White Co.*, 309 U. S. 33). *And there is a wide range of business and other activities which, though subject to federal regulation, are so intimately related to local welfare that, in the absence of Congressional action, they may be regulated or taxed by the states (italics supplies).*²

In other words, Mr. Justice Black did not deny that under the interstate commerce clause of the Federal Constitution, in the wide range of business and other activities, they are so intimately related to local welfare that, in the absence of Congressional action, they may be regulated or taxed by the States. In the present case for decision, however, taxation is not involved and, therefore, will not be discussed.

The defendants must necessarily concede that insurance is now interstate commerce in view of the decision of this Supreme Court in the aforementioned case of *United States v. South-Eastern Underwriters Assn.*, 322 U. S. 533; 64 Sup. Ct. Rep. 1162; 88 L. Ed. 1082, and the court will assume that fact for all purposes, but they contend that, under the police power of the State of California, and until Congress has legislated on the subject of insurance, the Laws of California regulating the admission of foreign insurance companies to transact business in this State still control, so the exploration of the court into the realm of law will necessarily be along these lines.

Police power of the States.

What is the police power? According to the tenth amendment to the Constitution of the United States, "The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people," and the police power of the States is reserved in the Constitution itself, made all the more emphatic, however, by this Amendment.

"The reservation to the States respectively can only mean the reservation of the rights of sovereignty which they respectively possessed before the adoption of the Constitution of the United States and which they had not parted from by that instrument." (*Gordon v. United States*, 117 U. S. 697, 705 (1864); See also *States ex rel. Turner v. Williams*, 194 U. S. 279, 295 (1904); *United States v. Butler*, 297 U. S. 1 (1936).

"It is a familiar rule of construction of the Constitution of the Union that the sovereign powers vested in the State governments by their respective constitutions, remained unaltered and unimpaired, except so far as they were granted to the Government of the United States. That the intention of the framers of the Constitution in this respect might not be misunderstood, this rule of interpretation is expressly declared in the tenth article of the amendments." (*Buffington (Collector) v. Day*, 11 Wall. 113, 124, (1871)); "and such article added nothing to the instrument as originally ratified and has no limited and special operation upon the people's delegation by article V of certain functions to the Congress," (*United States v. Sprague*, 282 U. S. 716, 733 (1931)).

". . . a State has the same undeniable and unlimited jurisdiction over all persons and things, within its territorial limits, as any foreign nation; where that jurisdiction is not surrendered or restrained by the Constitution of the United States. That, by virtue of this, it is not only the right but the bounden and solemn duty of a State, to advance the safety, happiness, and prosperity of its people, and to provide for its general welfare, by any and every act of legislation, which it may deem to be conducive to these ends; where the power

² See *Gibbons v. Ogden*, 9 Wheat 1, 200, 203-210; *Willson v. Black Bird Creek Marsh Co.*, 2 Pet. 245, 250-252; License cases, 5 How. 504, Opinion of Mr. Chief Justice Taney, 578-586; *Cooley v. Board of Wardens*, 12 How. 299, 318-321; *Kelly v. Washington*, 302 U. S. 1, 9-10. Cf. *Sturges v. Crowninshield*, 4 Wheat, 122, 192-196; *Houston v. Moore*, 5 Wheat 1, Opinion of Mr. Justice Story, 45-50.

over the particular subject, or the manner of its exercise is not surrendered or restrained in the manner just stated. That all those powers which relate to merely municipal legislation, or what may, perhaps, more properly be called internal police, are not thus surrendered or restrained; and that, consequently, in relation to these, the authority of a State is complete unqualified, and exclusive." (*New York v. Miln*, 11 Pct. 102, 138, (1837).

"The Fourteenth Amendment does not limit the subjects upon which the police power of the State may be exerted." (*Minneapolis & St. L. R. Co. v. Beckwith*, 129 U. S. 26, (1889); *Davis v. Massachusetts*, 167 U. S. 43 (1897). See also *Sanitary District v. United States*, 266 U. S. 405, 427, (1925), citing *Texas & N. O. R. Co. v. Miller*, 221 U. S. 408, 414, (1911); *Atlantic Coast Lines R. Co. v. Goldsboro*, 232 U. S. 548, 558, (1914); *Denver & R. C. E. Co. v. Denver*, 250 U. S. 241, 244, (1919)).

"It is thoroughly established that the inhibitions of the Constitution upon the deprivation of property without due process of law by the States are not violated by the legitimate exercise of legislative power in securing the public safety, health and morals." (*New York & N.E.R. Co. v. Bristol*, 151 U. S. 556, 567, (1894). See also *Barbier v. Connolly*, 113 U. S. 27, (1885); Ex parte Kemmler, 136 U. S. 436 (1890); *Giozza v. Tiernan*, 148 U. S. 657, (1893); *Howard v. Kentucky*, 200 U. S. 164, (1906). Ex parte Converse, 137 U. S. 624.

"The police power of a State embraces regulations designed to promote the public convenience or the general prosperity as well as those to promote public safety, health, or morals, and is not confined to the suppression of what is offensive, disorderly, or unsanitary, but extends to what is for the greatest welfare of the State. (*Bacon v. Walker*, 204 U. S. 311 (1907). See also *California Reduction Co. v. Sanitary Reduction Works*, 199 U. S. 306, 318 (1905); *Chicago B. & Q. R. Co. v. Illinois ex rel Grimwood*, 200 U. S. 561, 592 (1906); *Western Turf Asso. v. Greenburg*, 204 U. S. 359, 363 (1907); *House v. Mayes*, 219 U. S. 270, (1911); *Chicago B. & Q. R. Co. v. McGuire*, 219 U. S. 549, 568, 569 (1911); *Eubank v. Richmond*, 226 U. S. 137 (1912); *Schmidinger v. Chicago*, 226 U. S. 578 (1913); *Sligh v. Kirkwood*, 237 U. S. 52, 58-59 (1915); *Chicago & Alton R. Co. v. Tranbarger*, 238 U. S. 67, (1915); *Nebbia v. New York*, 291 U. S. 502 (1934); *Near v. Minnesota ex rel. Olson*, 283 U. S. 697, 707, (1931); *Nashville C. & St. L. R. Co. v. Walters*, 294 U. S. 405 (1935)."

Laws which are passed by the States and in the exertion of their police power, not in conflict with laws of the National Congress upon the same subject, and *indirectly and reffecting interstate commerce*, (italics supplied) are nevertheless valid laws.³

There can be no question but that the State has the right, under its Police Power, to interfere with interstate commerce.

"There is an exception to the commerce clause of the Constitution in favor of the police power of the States. That power is sufficient to enable the states to provide for the security of the lives, health, and comfort of its citizens, and as a part of that power the states may regulate or restrict the sale of articles deemed injurious to the Health or morals of the community. But in exercising this power the states cannot impose taxes on persons passing through the state, nor upon property imported, so long as it is in the original package, and no regulation can be made directly affecting interstate commerce. (*Moog v. States*, 41 So. 166, 168; 145 Ala. 75, citing *Robbins v. Taxing Dist. Shelby County*, 7 S. Ct. 592; 120 U. S. 489; 30 L. Ed. 694.

The police power, however, has its limits and must stop when it encounters the prohibitions of the Federal Constitution⁴. The police power is the least limit-

³ *New York ex rel. Silz v. Nesterberg*, 211 U. S. 31, 41 (1908), citing *Missouri K. & T. R. Co. v. Naber*, 169 U. S. 613 (1898); *Pennsylvania R. Co. v. Hughes*, 191 U. S. 477 (1903); *Asbell v. Kansas*, 209 U. S. 251 (1908).

⁴ *Eubank v. Richmond*, 226 U. S. 137 (1912); *Southern R. Co. v. Virginia*, 290 U. S. 190 (1933); *Panhandle Eastern Pipe Line Co. v. State Highway Commission*, 294 U. S. 613, 622 (1935).

able of the exercises of government⁵; and its limitations are hard to define⁶; are not susceptible of circumstantial precision⁷; cannot be determined by any formula⁸; and must always be determined with appropriate regard to the particular subject of its exercise.⁹

Though obligations of contracts must yield to a proper exercise of the police power, and vested rights cannot inhibit the proper execution of the power, it must be exercised for an end which is in fact public and the means adopted must be reasonably adapted to the accomplishment of that end and must not be arbitrary or oppressive.¹⁰ The police power may be exerted, when otherwise the effect may be to invade rights guaranteed by the Fourteenth Amendment, only when such legislation bears a real and substantial relation to the public health, safety, morals, or some other phase of the general welfare.¹¹ The general rule is that if regulation goes too far it will be recognized as a taking for which compensation must be paid.¹²

Each exertion of the police power has the support of the presumption that it is an exercise in the interest of the public, and that there are facts justifying its specific exercise. (*Erie R. Co. v. Williams*, 233 U. S. 685, 699, (1914)). The presumption attaches alike to statutes, municipal ordinances, and orders of administrative bodies. (*Pacific States Box & Basket Co. v. White*, 296 U. S. 176 (1935)).

While it is the duty of the Federal courts to see to it that the constitutional rights of the citizen are not infringed by the State, they should not strike down an enactment or regulation adopted by the State under its police power unless it be clear that the declaration of public policy contained in the statute is plainly in violation of the Federal Constitution.¹³ The legislation, when dealing with a subject within the police power, must be upheld unless shown to be clearly unreasonable, arbitrary, or discriminatory.¹⁴ The broad words of the Fourteenth Amendment are not to be pushed to a drily logical extreme, and the courts will be slow to strike down as unconstitutional legislation enacted under the police power.¹⁵

It is well established that when a State exerting its recognized authority undertakes to suppress what it is free to regard as a public evil, it may adopt such measures having reasonable relation to that end as it may deem necessary in order to make its action effective.¹⁶ Reasonableness is the test of police power, not scientific precision.¹⁷ A regulation will not be declared invalid because a court may regard it as ineffectual, or harsh in particular instances or in aid of an objectionable policy.¹⁸

Where legislative action is within the scope of the police power, fairly debatable questions as to its reasonableness, wisdom, and propriety are not for the determination of courts, but for that of the legislative body on which rests the duty and responsibility of decision.¹⁹

Tradition and habits of the community count for more than logic in determining the constitutionality of laws enacted for the public welfare under the police

⁵ *Hadacheck v. Sebastian*, 239 U. S. 394 (1915); *Hall v. Geiger-Jones Co.*, 242 U. S. 539 (1917).

⁶ *Sligh v. Kirkwood*, 237 U. S. 52, 58-59 (1915).

⁷ *Eubank v. Richmond*, 226 U. S. 137, 142 (1912); *Erie R. Co. v. Williams*, 233 U. S. 638, 699 (1914); *Panhandle Eastern Pipe Line Co. v. State Highway Commission*, 294 U. S. 613, 622 (1935).

⁸ *Hudson County Water Co. v. McCarter*, 209 U. S. 349 (1908).

⁹ *Near v. Minnesota ex rel. Olsen*, 283 U. S. 697, 707 (1931).

¹⁰ *Treigle v. Acme Homestead Asso.*, 297 U. S. 189, 197 (1936).

¹¹ *Liggett (Louis K.) Co. v. Baldrige*, 278 U. S. 105, 111-112 (1928).

¹² *Pennsylvania Coal Co. v. Mahon*, 260 U. S. 393 (1922).

¹³ *Broadnax v. Missouri*, 219 U. S. 285, 292 (1911).

¹⁴ *Hadacheck v. Sebastian*, 239 U. S. 394 (1915).

¹⁵ *Noble State Bank v. Haskell*, 219 U. S. 104 (1911).

¹⁶ *Purity Extract & Tonic Co. v. Lynch*, 226 U. S. 192, 201 (1912).

¹⁷ *Sproles v. Binford*, 286 U. S. 374 (1932).

¹⁸ *Bayside Fish Flour Co. v. Gentry*, 297 U. S. 422 (1936).

¹⁹ *Standard Oil Co. v. Marysville*, 279 U. S. 582, 584 (1929), citing *Zahn v. Board of Public Works*, 274 U. S. 325, 328 (1927); *Hadacheck v. Sebastian*, 239 U. S. 394, 408-412, 413-414 (1915); *Euclid v. Ambler Realty Co.*, 274 U. S. 365, 388 (1926); *Jacobson v. Massachusetts*, 197 U. S. 11, 30 (1905); *Laurel Hill Cemetery v. San Francisco*, 216 U. S. 358, 365 (1910); *Cusack (Thomas) Co. v. Chicago*, 242 U. S. 526, 530 (1917); *Price v. Illinois*, 238 U. S. 446, 451 (1915). See also *Purity Extract & Tonic Co. v. Lynch*, 226 U. S. 192, 201-202 (1912); *Erie R. Co. v. Williams*, 233 U. S. 685, 704 (1914).

power.²⁰ The fact that a practice is of ancient standing in a State is a reason for holding it unaffected by the Fourteenth Amendment²¹; and the amendment does not override public rights, existing in the form of servitudes or easements which are held by the courts of a State to be valid under its constitution and laws.²²

A statute is not invalid under the Constitution because it might have gone farther than it did, or because it may not succeed in bringing about the result that it tends to produce. (*Roschen v. Ward*, 279 U. S. 337, (1929)). When a state legislature has declared that, in its opinion, the policy of the State requires a certain measure, its action should not be disturbed by the courts under the Fourteenth Amendment unless they can clearly see that there is no reason why the laws should not be extended to classes left untouched. (*Williams v. Arkansas*, 217 U. S. 79, (1910)).

The Commerce Clause (Article I, Sec. 8, Clause 3, United States Constitution).

In contrast to the authority of the State, under its inherent police power, to regulate its internal affairs, which power has never been delegated to the Federal Government, either expressly or by implication, we have an express power given to Congress "to regulate commerce with foreign nations, and among the several states, and with the Indian Tribes." (Article I, Sec. 8, Clause 3, of the Federal Constitution); and, as insurance has now been judicially determined to be interstate commerce, the question that presents itself is this: Just how far have the States, under their police power been divested of authority to make laws for the health, protection and happiness of their citizens in the regulation of insurance companies, bearing in mind that, as of this date, no federal legislation has been passed on this subject.

In general, it may be said that Congress, under the commerce clause of the federal constitution, has the power to occupy, by legislation, the whole field of interstate commerce (*Champion v. Ames* (Lottery case) 188 U. S. 321, 358, (1903)) and that whether the power in any given case is vested exclusively in the Federal Government depends upon the nature of the subject to be regulated (*Gilman v. Philadelphia*, 3 Wall. 713, 727 (1866)), and that it is only direct interference with the freedom of interstate commerce that brings a case within the exclusive domain of federal legislation (*Field v. Barber Asphalt Paving Co.*, 194 U. S. 618, 623 (1904)).

A collection of the authorities, dealing, on the one hand with the exercise of the police power by the States and, on the other hand, the authority of Congress to exercise its powers to legislate on interstate commerce under the Commerce clause of the United States constitution, indicates that nine basic postulates may be considered in reaching a decision in the instant case.

Postulate one:

Consistent with the power of Congress to regulate commerce among the States, the States possess, because they have never surrendered, the power to protect the public health, the public morals, and public safety, by any legislation appropriate to that end which does not encroach upon rights guaranteed by the National constitution, nor come in conflict with the acts of Congress passed in pursuance of that instrument²³; but the police power of the State cannot draw within its jurisdiction subject matter which has been delegated to Congress exclusively by the Constitution²⁴;

²⁰ *Laurel Hill Cemetery v. S. F.*, 216 U. S. 358 (1910). See also *Plessy v. Ferguson*, 163 U. S. 537 (1896).

²¹ *Jackman v. Rosenbaum Co.*, 260 U. S. 22 (1922).

²² *Eldridge v. Trezevant*, 160 U. S. 452, 468 (1896); *Vidalia v. McNeely*, 274 U. S. 676 (1927); see also *St. Anthony Falls Water Power Co. v. Board of Water Commissioners*, 168 U. S. 349 (1897).

²³ *Missouri, K. & T. R. Co. v. Haber*, 169 U. S. 613, 628 (1898). See also *Gloucester Ferry Co. v. Pennsylvania*, 114 U. S. 196, 215 (1885); *Sioux Remedy Co. v. Cope*, 235 U. S. 197 (1914); *New Mexico ex rel. McLean & E. J. & Co. v. Denver & R. G. R. Co.*, 203 U. S. 38 (1906); *Bowman v. Chicago & N. W. R. Co.*, 125 U. S. 65, 489 (1888); *Robbins v. Tazewell Dist. of Shelby County*, 120 U. S. 489, 493 (1887); *Hannibal & St. J. R. Co. v. Husen*, 95 U. S. 465, 470 (1878); *Lake Shore & M. S. R. Co. v. Ohio ex rel. Lawrence*, 173 U. S. 285, 292 (1899); *New York, N. H. & H. R. Co. v. New York*, 165 U. S. 628, 631 (1897); *Sligh v. Kirkwood*, 237 U. S. 52 (1915); *Southern R. Co. v. Reid*, 222 U. S. 424 (1912); *Houston & T. C. R. Co. v. Mayes*, 201 U. S. 321 (1906); *Simpson v. Shepard* (Minnesota Rate Cases), 230 U. S. 352 (1913); *Mintz v. Baldwin*, 289 U. S. 346 (1933); *Kelly v. Washington ex rel. Foss Co.*, 302 U. S. 1 (1937).

²⁴ *Henderson v. New York*, 92 U. S. 259, 271 (1876).

Postulate two:

It is a well-established principle that Congress may circumscribe its regulation of interstate commerce and occupy a limited field, and the intent to supersede the exercise by the State of its police power as to matters not covered by the Federal legislation is not to be implied unless the latter fairly interpreted is in actual conflict with the state law²⁵;

Postulate three:

The principle that a State may enact local laws under its police power in the interest of the welfare of the people, although they affect *interstate commerce*, and that such laws may stand at least until Congress takes possession of the field under its superior authority to regulate such commerce, has no application where the State passes beyond the exercise of its legitimate authority, and undertakes to regulate interstate commerce by imposing burdens upon it²⁶;

Postulate four:

Where the power of Congress to regulate is exclusive, i.e., subjects national in character, the failure of Congress to make express regulations indicates its will that the subject shall be left free from any restrictions or impositions; and any regulations of the subject by the States, except in matters of local concern only, is repugnant to such freedom²⁷;

Postulate five:

Where the subjects on which the power may be exercised are *local in their nature* or operation, or constitute mere aids to commerce, the authority of the States may be exerted for their regulation and management until Congress interferes and supersedes it²⁸;

Postulate six:

When Congress acts with reference to a matter confided to it by the Constitution, then its statutes displace all conflicting local regulations touching that matter, although such regulations may have been established in pursuance of a power not surrendered by the States to the General Government²⁹; *but the action of Congress must be specific in order to be paramount*³⁰;

Postulate seven:

A law of Congress regulating commerce with foreign nations or among the several States is the Supreme law, and if the law of a State is in conflict with it,

²⁵ *Townsend v. Yoemans*, 301 U. S. 441, 454 (1937); citing *Savage v. Jones*, 225 U. S. 501, 533 (1912); *Atlantic Coast Line v. Georgia*, 234 U. S. 280, 293, 294 (1914); *Illinois C. R. Co. v. Public Utilities Commission*, 245 U. S. 493, 510 (1918); *Carey v. South Dakota*, 250 U. S. 118, 122, (1919); *Lehigh Valley R. Co. v. Public Utilities Comrs.*, 278 U. S. 24, 35 (1928); *Atchison, T. & S. F. R. Co. v. Railroad Commission*, 283 U. S. 380, 392, 393 (1931); *Harford Indemnity Co. v. Illinois*, 298 U. S. 155, 158 (1936).

²⁶ *Lemke v. Farmers' Grain Co.*, 258 U. S. 50 (1922); See also *Kansas City Southern R. Co. v. Kaw Valley Drainage Dist.*, 233 U. S. 75 (1914); *Illinois Cent. R. Co. v. Illinois*, 163 U. S. 142 (1896); *McDermott v. Wisconsin*, 228 U. S. 115 (1913); *Brennan v. Titusville*, 153 U. S. 289, 299 (1894); *Hannibal & St. J. R. Co. v. Husen*, 95 U. S. 465, 472 (1878); *Dahnke-Walker Milling Co. v. Bondurant*, 257 U. S. 282 (1921).

²⁷ *Robbins v. Shelby County Taxing Dist.*, 120 U. S. 489, 493 (1887); See also *Southern R. Co. v. Reid*, 222 U. S. 424 (1912); *Western U. Telegraph Co. v. James*, 162 U. S. 650, 655 (1896); *United States v. E. C. Knight Co.*, 156 U. S. 1, 11 (1895); *Pittsburg & S. Coal Co. v. Bates*, 156 U. S. 577, 588 (1895); *Wilkerson v. Rahrer* (In re Rahrer), 140 U. S. 545, 555 (1891); *Leisy & Co. v. Hardin*, 135 U. S. 100, 110 (1890); *Philadelphia & S. Mail S. Co. v. Pennsylvania*, 122 U. S. 326, 336 (1887); *Walling v. Michigan*, 116 U. S. 446, 455 (1886); *Escanaba & L. M. Transp. Co. v. Chicago*, 107 U. S. 678 (1883); *Welton v. Missouri*, 91 U. S. 275, 282 (1876); *Brennan v. Titusville*, 153 U. S. 302 (1894); *United States v. Rio Grande Dam & Irrig. Co.*, 174 U. S. 690 (1899); *Kelly v. Washington ex rel. Foss Co.*, 302 U. S. 1 (1937).

²⁸ *Escanaba & L. M. Transp. Co. v. Chicago*, 107 U. S. 678, 687 (1883). See also *Cardwell v. American River Bridge Co.*, 113 U. S. 205, 210 (1885); *Simpson v. Shepard* (Minnesota Rate Cases), 230 U. S. 352 (1913).

²⁹ *Lake Shore & M. S. R. Co. v. Ohio*, 173 U. S. 285, 297, a (1899). See also *Gulf, C. & S. F. R. Co. v. Hefley*, 158 U. S. 98, 104 (1895); *Missouri, K. & T. R. Co. v. Harris*, 234 U. S. 412 (1914); *Erie R. Co. v. New York*, 233 U. S. 671 (1914); *Asbell v. Kansas*, 209 U. S. 251 (1908); *Smith v. Alabama*, 124 U. S. 465, 473 (1888); *Smith v. Turner Passenger cases*, 7 How. 283, 396 (1849); *Savage v. Jones*, 225 U. S. 501 (1912); *Chicago, K. I. & P. R. Co. v. Hardwick*, 226 U. S. 426 (1913); *Missouri Pac. R. Co. v. Porter*, 273 U. S. 341 (1927).

³⁰ *Missouri P. R. Co. v. Larabee Flour Mills*, 211 U. S. 612 (1909).

the law of Congress must prevail and the State law cease to operate so far as it is repugnant³¹;

Postulate eight:

When Congress exercises its exclusive powers over interstate commerce, the States cannot legislate on the subject, and the situation is covered as much by what is not done by Congress or the Interstate Commerce Commission, as by the regulations it has made, and the State has no power to fill what it may regard as a hiatus left by Congress and the Interstate Commerce Commission³²; and

Postulate nine:

Even when an act of Congress does not go into effect until a certain time following its passage, State legislation is immediately superseded upon the enactment of the Federal statute³³;

The power which the Constitution bestows upon Congress over commerce does not exhaust the subject of the control of commerce, for there is a commerce which lies beyond the power of Congress to control. The States have a commerce of their own and they are as supreme in its control as Congress is supreme in the control of interstate and foreign commerce. This has never been disputed since the case of *Gibbons v. Ogden*, 9 Wheat. 1, (1824).³⁴

The power to regulate commerce among the States is a unit, but if particular subjects within its operation do not require the application of a general or uniform system, the States may legislate in regard to them with a view to local needs and circumstances until Congress otherwise directs: but the power thus exercised by the States is not identical in its extent with the power to regulate commerce among the states. The power to pass laws in respect to internal commerce, inspection laws³⁵; quarantine and health laws³⁶; and laws in relation to bridges, ferries, and highways belongs to the class of power pertaining to locality, essential to local intercommunication, to the protection, the safety, and the welfare of society, originally necessarily belonging to, and upon the adoption of the Constitution reserved by, the States, except so far as falling within the scope of a power conferred to the general government. Where the subject matter requires a uniform system as between the states, the power controlling it is vested exclusively in Congress and cannot be encroached upon by the State; but where in relation to the subject matter different rules may be suitable for *different localities, the States may exercise powers which, though they may be said to partake of the nature of the power granted to the Federal government, are strictly not such, but are simply local powers, which have*

³¹ *Thurlow v. Massachusetts* (License Cases), 5 How. 504, 574 (1847). See also *McDermott v. Wisconsin*, 288 U. S. 115 (1913); *Missouri, K. & T. R. Co. v. Harris*, 234 U. S. 412 (1914); *Southern R. Co. v. Reid*, 222 U. S. 424 (1912); *Chicago I. & L. R. Co. v. Hackett*, 228 U. S. 559 (1913); *Railroad Commission v. Southern P. Co.*, 264 U. S. 331 (1924); *Kelly v. Washington ex rel Foss Co.*, 302 U. S. 1 (1937).

³² *Whish v. Public Service Commission*, 240 N. Y. 677 (1925). See also *Missouri, K. & T. R. Co. v. Haber*, 169 U. S. 613, 627 (1898); *Michigan C. R. Co. v. Vreeland*, 227 U. S. 59 (1913).

³³ *Northern P. R. Co. v. Washington ex rel. Atkinson*, 222 U. S. 370 (1912).

³⁴ *Lord v. Goodall, N. & P. S. S. Co.*, 102 U. S. 541, 543 (1881). See also *Thurlow v. Massachusetts* (License Cases), 5 How. 504, 574 (1847); *Smith v. Turner* (Passenger cases), 7 How. 283, 415 (1849); *Sinnot v. Davenport*, 22 How. 227, 243 (1859); *Hall v. DeCuir*, 95 U. S. 485, 488 (1878); *Addyston Pipe & Steel Co. v. United States*, 175 U. S. 211, 247 (1899); *Simpson v. Shepard* (Minnesota Rate Cases), 230 U. S. 352 (1913); *Houston, E. & W. T. R. Co. v. United States*, 234 U. S. 342 (1914).

³⁵ *Foster v. Master and Wardens of Port of New Orleans*, 94 U. S. 246 (1877). See also *Red "C" Oil Mfg. Co. v. Board of Agriculture*, 222 U. S. 380 (1912); *New Mexico ex. rel. McLean v. Denver & R. O. R. Co.*, 203 U. S. 38 (1906); *Arbuckle v. Blackburn*, 191 U. S. 405, 414 (1903); *Pittsburgh & S. Coal Co. v. Louisiana*, 156 U. S. 590, 597 (1895); *Savage v. Jones*, 225 U. S. 501 (1912); *Vance v. Vandercook Co.*, 170 U. S. 438, 455 (1898); *Turner v. Maryland*, 107 U. S. 38 (1883); *Standard Stock Food Co. v. Wright*, 225 U. S. 540 (1912); *Hinson v. Lott*, 8 Wall. 148 (1869); *Scott v. Donald*, 165 U. S. 58 (1897); *Pabst Brewing Co. v. Crenshaw*, 198 U. S. 17 (1905); *Patapasco Guano Co. v. Board of Agriculture*, 171 U. S. 345 (1898); *Foote v. Stanley*, 232 U. S. 494 (1914); *Pure Oil Co. v. Minnesota*, 248 U. S. 158 (1918); *Standard Oil Co. v. Graves*, 249 U. S. 389 (1919).

³⁶ *Smith v. Turner* (Passenger Cases), 7 How. 283, 400 (1849); See also *Louisiana v. Texas*, 176 U. S. 1, 21 (1900); *Minnesota v. Barber*, 136 U. S. 313, 319 (1890); *Compagnie Francaise de Navigation v. Louisiana*, 186 U. S. 380, 385 (1902); *Reid v. Colorado*, 187 U. S. 137, 151 (1902); *Asbell v. Kansas*, 209 U. S. 251 (1906); *Hannibal & St. J. R. Co. v. Husen*, 95 U. S. 465, 471 (1878); *Kimmish v. Ball*, 129 U. S. 217, 220 (1889); *Rasmussen v. Idaho*, 181 U. S. 198 (1901); *Smith v. St. Louis & S.W.R. Co.*, 181 U. S. 248 (1901); *Missouri, K. & T. R. Co. v. Haber*, 169 U. S. 613, 636 (1898); *Morgan's L. & T. R. & S. S. Co. v. Bd. of Health*, 118 U. S. 453, 465 (1886); *Mintz v. Baldwin*, 289 U. S. 346 (1933).

full operation until or unless circumscribed by the action of Congress.³⁷ (italics supplied.)

Consistent with the power of Congress to regulate commerce, the States possess, because it was reserved, the power to protect the public health, the public morals, and the public safety by any legislation appropriate to that end which does not encroach upon rights guaranteed by the National constitution nor come in conflict with acts of Congress.³⁸ But while a State can do nothing which will directly or indirectly³⁹ burden or impede interstate commerce, and the police power does not justify a direct interference with such commerce⁴⁰ it may make valid enactments in the exercise of its legislative power to promote the welfare and convenience of its citizens, although in their operation they may have an effect upon interstate commerce.⁴¹ Generally it may be said in respect to laws of this character that, though resting upon the police power of the State, they must yield whenever Congress, in the exercise of the powers granted to it, legislates upon the precise subject matter, for that power, like all other reserved powers of the States, is subordinate to those in terms conferred by the Constitution upon the Nation.⁴²

Fourteenth Amendment to the Constitution of the United States:

As to the allegation of the plaintiff that Maynard Garrison, Insurance Commissioner of the State of California, acting through his deputies, has interfered with the representatives of plaintiff and threatened them with prosecution if they persisted in aiding the insurance transactions of plaintiff in California in violation of the Fourteenth Amendment to the Constitution of the United States, it is well settled that the police power may be exerted by the State, under certain limitations, of course, notwithstanding the Fourteenth Amendment. (*Liggett (Louis K.) Co. v. Baldrige*, 278 U. S. 105, 111-112 (1928); (*Noble State Bank v. Haskell*, 219 U. S. 104 (1911); *Minneapolis & St. L. Ry. Co. v. Beckwith*, 9 S. Ct. 207, 209; 129 U. S. 29; 32 L. Ed. 585).

The court finds it difficult to ascertain the exact contention of plaintiff for it concedes the power of the State, under the police power, to make local rules and regulations which indirectly interfere with interstate commerce (page 2 of brief); it states that it is "not an attempt by a foreign insurance company to transact business in the State of California without meeting the standards of safety set by that

³⁷ *Leisy (Gus) & Co. v. Hardin*, 135 U. S. 100, 108 (1890); see also *Simpson v. Shepard (Minnesota Rate Cases)*, 230 U. S. 352 (1913); *Southern R. Co. v. Reid*, 222 U. S. 424 (1912); *Escanaba & L. N. Transp. Co. v. Chicago*, 107 U. S. 678, 683 (1883); *Mobile County v. Kimball*, 102 U. S. 691, 698 (1881); *Gilman v. Philadelphia*, 3 Wall. 713, 727 (1866); *Cardwell v. American River Bridge Co.*, 113 U. S. 205, 210, (1885); *Stone v. Farmers Loan & T. Co. (Railroad Commission Cases)*, 116 U. S. 307 (1886); *Peik v. Chicago & N. W. R. Co.*, 94 U. S. 164 (1877); *Smith v. Turner (Passenger Cases)*, 7 How. 283 (1849); *Covington & Co. Bridge Co. v. Kentucky*, 154 U. S. 204, 209 (1894); *Western U. Tele. Co. v. Kansas ex rel. Coleman*, 216 U. S. 1 (1910); *Cummings v. Chicago*, 188 U. S. 410 (1903); *New York ex rel. Pennsylvania R. Co. v. Knight*, 192 U. S. 21, 27 (1904); *Valley S. Co. v. Wattawa*, 244 U. S. 202 (1917); *Interstate Transit v. Lindsey*, 283 U. S. 183 (1931).

³⁸ *Missouri K. & T. R. Co. v. Haber*, 169 U. S. 613, 628 (1898). See also *Sioux Remedy Co. v. Cope*, 235 U. S. 197 (1914); *New Mexico ex rel. McLean & Co. v. Denver & R. G. R. Co.*, 203 U. S. 38 (1906); *Houston & T. C. R. Co. v. Mayes*, 201 U. S. 321 (1906); *Bowman v. Chicago & N. W. R. Co.*, 125 U. S. 465, 489 (1888); *Robbins v. Shelby County*, 120 U. S. 489, 493 (1887); *Gloucester Perry Co. v. Pennsylvania*, 14 U. S. 196, 215 (1885); *Hannibal & St. J. R. Co. v. Husen*, 95 U. S. 465, 470 (1878); *Lake Shore & M. S. R. Co. v. Ohio ex rel. Lawrence*, 173 U. S. 285, 292 (1899); *New York, N. H. & H. R. Co. v. New York*, 165 U. S. 628, 631 (1897); *Sligh v. Kirkwood*, 237 U. S. 52 (1915); *Western U. Tele. Co. v. Kansas ex rel. Coleman*, 216 U. S. 1, 26 (1910).

³⁹ *Northern Securities Co. v. United States*, 193 U. S. 197, 350 (1904); Cf. *Western Distributing Co. v. Public Service Commission*, 285 U. S. 119 (1932).

⁴⁰ *New York, N. H. & H. R. Co. v. New York*, 165 U. S. 628, 631 (1897). See also *Henderson v. New York*, 92 U. S. 259 (1876); *Chy Lung v. Freeman*, 92 U. S. 275 (1876); *New York v. Compagnie Generale Transatlantique*, 107 U. S. 59 (1883); *Illinois Cent. R. Co. v. Illinois ex rel. Butler*, 163 U. S. 142 (1896); *McDermott v. Wisconsin*, 228 U. S. 115 (1913); *Savage v. Jones*, 225 U. S. 501 (1912); *Brennan v. Titusville*, 153 U. S. 289, 299 (1894); *Schollenberger v. Pennsylvania*, 171 U. S. 1, 12 (1898); *Seaboard Air Line R. Co. v. Blackwell*, 244 U. S. 310 (1917); *Lemke v. Farmers Grain Co.*, 258 U. S. 50 (1922); *Clyde Mallory Lines v. Alabama*, 296 U. S. 261 (1935); *Disanto v. Pennsylvania*, 273 U. S. 34 (1927); *Missouri P. R. Co. v. Castle*, 224 U. S. 541 (1912).

⁴¹ *Pennsylvania R. Co. v. Hughes*, 191 U. S. 477, 488 (1903). See also *South Covington & C. St. R. Co. v. Covington*, 235 U. S. 537 (1915); *Asbell v. Kansas*, 209 U. S. 251 (1908); *Sherlock v. Alling*, 93 U. S. 99, 103 (1876); *Louisville & N. R. Co. v. Kentucky*, 183 U. S. 503, 518 (1902); *Standard Oil Co. v. Tennessee*, 217 U. S. 413 (1910).

⁴² *Gulf, C. & S. F. R. Co. v. Hefley*, 158 U. S. 98, 104 (1895). See also *Chicago R. I. & P. R. Co. v. Hardwick Farmers Elevator Co.*, 226 U. S. 426 (1913); *Missouri K. & T. R. Co. v. Haber*, 169 U. S. 613, 627 (1898); *Michigan C. R. Co. v. Vreeland*, 227 U. S. 59 (1913); *Illinois C. R. Co. v. DeFuentes*, 236 U. S. 157 (1915); *Railroad Commission (California) v. Southern P. R. Co.*, 264 U. S. 33 (1924).

state," (page 11 of its brief); that "this case does not present the question as to whether or not the laws of California will be nullified but as to whether the state of California can nullify the laws of every other State in the Union if the companies organized in those states are to do an interstate business with the citizens of that state," (page 12 of brief); and yet plaintiff is praying for injunctive relief to prohibit the defendants from interfering with its business transactions in California, a position which is not quite clear to the court, for if it met the same standards demanded of local insurers this case would not have arisen.

Whether it is actually plaintiff's position that California at the present time has no law regulating the insurance business as conducted by the plaintiff, or that its laws in this respect are now invalidated by reason of the decision in the case of *United States v. South-Eastern Underwriters Assn.*, 322 U. S. 533; 64 Sup. Ct. Rep. 1162; 88 L. Ed. 1082, makes no difference so far as the decision in this case is concerned, because the ultimate fact is that plaintiff is attempting, in any event, to transact an insurance business in California without meeting the standards of safety required by the State (see page three of this Opinion); and there can be no doubt but that if the court sustained plaintiff's position, California laws, established under the police power for the protection of the public, would be to that extent nullified.

The court takes judicial notice of the fact that Congress has not yet legislated in insurance matters, and, until it does, and to that extent only, State statutes enacted under the police power still remain in full force and effect.

"In construing Federal statutes enacted under the power conferred by the commerce clause of the Constitution the rule is that it should never be held that Congress intends to supersede or suspend the exercise of the reserved powers of a state, even where that may be done, unless, and except so far as, its purpose to do so is clearly manifested." (Cases cited. *Illinois Central Railroad Co. v. Public Utilities Commission*, 245 U. S. 493, 510.)

"If, reading the Federal act as a whole, there were room for doubt, two established rules of construction would lead us to resolve the doubt in favor of sustaining the validity of the state law. First: The intent to supersede the exercise by a state of its police powers is not to be implied unless the act of Congress, fairly interpreted, is in actual conflict with the law of the State." (Cases cited. *Carey v. State of South Dakota*, 250 U. S. 118, 122.)

"The principle thus applicable has been frequently stated. It is that Congress may circumscribe its regulation and occupy a limited field, and that the intention to supersede the exercise by the State of its authority as to matters not covered by the federal legislation is not to be implied unless the Act of Congress fairly interpreted is in conflict with the law of the State." (Cases cited. *Atchison Ry. v. Railroad Commission*, 283 U. S. 380, 392.)

"The case calls for the application of the well-established principle that Congress may circumscribe its regulation and occupy a limited field, and that the intent to supersede the exercise by the State of its police power as to matters not covered by the federal legislation is not to be implied unless the latter fairly interpreted is in actual conflict with the state law." (Cases cited. 301 U. S. 441, 454.)

Courts do not legislate and, *a fortiori*, until the National Congress does legislate in insurance matters, local statutes governing the subject are in a stronger position than where there has been Federal legislation on the subject. Mr. Chief Justice Stone, in his dissenting Opinion in the foregoing case of *U. S. v. South-Eastern Underwriters Assn.* (supra), while he was apprehensive of the consequences that would follow the ruling in that case, nowhere gives the slightest intimation that all state laws governing insurance companies are rendered *ipso facto* void, but stated that those matters would have to be decided by a case-to-case determination with "a consideration of all the relevant facts and circumstances." It is conceivable that, as the Federal Congress legislates on insurance, as it may now do because it has been determined to be interstate commerce, state laws will fall, under Postulate six (page 12), but only to the extent that they are supplemented by Federal legislation, and that, in the meantime, state statutes control.

Chief Justice Stone states:

"... the ruling that insurance is not commerce, and is therefore unaffected by the restrictions which the commerce clause imposes on state legislation, removed the most serious obstacle to regulation of that business by the states. Through their plenary power over domestic and foreign corporations which are not engaged in interstate commerce, the states have developed extensive and effective systems of regulation of the insurance business, often solving regulatory problems of a local character with which it would be impractical or difficult for Congress to deal through the exercise of the commerce power..."

"But the immediate and only practical effect of the decision now rendered is to withdraw from the states, in large measure, the regulation of insurance and to confer it on the national government, which has adopted no legislative policy and evolved no scheme of regulation with respect to the business of insurance. Congress having taken no action, the present decision substitutes, for the varied and detailed state regulation developed over a period of years, the limited aim and indefinite command of the Sherman Act for the suppression of restraints on competition in the marketing of goods and services in or affecting interstate commerce, to be applied by the courts to the insurance business as best they may.

"In the years since this court's pronouncement that insurance is not commerce came to be regarded as settled constitutional doctrine, vast efforts have gone into the development of schemes of state regulation and into the organization of the insurance business in conformity to such regulatory requirements. Vast amounts of capital have been invested in the business in reliance on the permanence of the existing system of state regulation. How far that system is now supplanted is not, and in the nature of things could not well be, explained in the court's opinion. The Government admits that statutes of at least five states will be invalidated by the decision as in conflict with the Sherman Act, and the argument in this court reveals serious doubt whether many others may not also be inconsistent with that Act. The extent to which still other statutes will now be invalidated as in conflict with the commerce clause has not been explored in any detail in the briefs and argument or in the Court's opinion.

"Certainly there cannot but be serious doubt as to the validity of state taxes which may now be thought to discriminate against the interstate commerce, cf. *Philadelphia Fire Assn. v. New York*, 119 U. S. 110; or the extent to which conditions may be imposed on the right of insurance companies to do business within a state; or in general the extent to which the state may regulate whatever aspects of the business are now for the first time to be regarded as interstate commerce. While this court no longer adheres to the inflexible rule that a state cannot in some measure regulate interstate commerce, the application of the test presently applied requires 'a consideration of all the relevant facts and circumstances' in order to determine whether the matter is an appropriate one for local regulation and whether the regulation does not unduly burden interstate commerce, *Parker v. Brown*, 317 U. S. 341-362 — a determination which can only be made upon a case-to-case basis. Only time and costly experience can give the answers."

Mr. Chief Justice Stone's apprehension that the decision in *United States v. South-Eastern Underwriters Assn.* (supra) would open wide the door to determine just how far State laws controlling insurance under the police power would be subject to the commerce clause has begun to bear fruit in this case, and what the constitutional repercussions will develop over a period of years is solely within the lap of Providence to determine.

State laws regulating insurance companies, both foreign and domestic, have uniformly been upheld as a proper exercise of the police power of the State (*German Alliance Ins. Co. v. Kansas*, 233 U. S. 389 at p. 412). It should be borne in mind that we are not dealing with a case where the State of California is prohibiting the plaintiff from transacting business under any conditions, or discriminating against the plaintiff in favor of a domestic insurance company; and that this case does not involve a tax problem.

A very narrow line divides the authority of Congress under the commerce clause of the Constitution and the power of the State under the police power. Each case stands alone. Power seldom yields its attributes of sovereignty but constantly seeks to extend its authority. The police power is the only barrier when two authorities come in conflict. The police power is incapable of exact definition, yet it comes to the rescue of laws of doubtful constitutionality, if the courts find such laws sustain public morals, good order, good manners, contribute to public health and safety, prevent evil or harm and encourage social and business intercourse and in general contribute to the "pursuit of happiness" of the people.

Suit against a State:

The defendants also move for a dismissal of the complaint herein under the 11th Amendment to the Constitution of the United States that "The judicial power of the United States shall not be construed to extend to any suit in law or equity, commenced or prosecuted against one of the United States by citizens of another State, or by citizens or subjects of any Foreign State," on the theory that this suit is actually a suit against the State of California without its consent, which consent has not been obtained. The plaintiff corporation is a "citizen of another state" within the definition of the 11th amendment to the Constitution of the United States (see *Manchester Fire Insurance Co. v. Harriott*, CC (Iowa) 91 Fed. 711). Plaintiff cites the case of *Great Northern Life Ins. Co. v. Reed*, 64 Sup. Ct. Rep. 873, 875, and also ex parte State of New York, 256 U. S. 497, 500.

Plaintiff, in support of its contention that its suit is not against the State of California, cites the case of *Sterling v. Constantine*, 287 U. S. 378; 53 S. Ct. 190; 77 L. Ed. 375 (where the court found the Governor of Texas had exceeded his authority in issuing a proclamation that martial law existed); the case of *Felt and Tarrant Mfg. Co. v. Corbett* (Cal.) 23 F. Supp. 186 (which stated the applicable principle to be that where state officials, purporting to act under state authority, invade the rights secured by the Federal constitution, they are subject to the process of the Federal courts); and other cases, each of which has been read by the court; but these cases are either not in point on the facts in the instant case, the officers exceeded their authority, or they involve acts under *unconstitutional state statutes*, whereas the court in the instant case finds no similar circumstances in the motion under advisement. Where the court finds that state officers are acting under constitutional statutes such suits cannot generally be maintained.

In an action such as this, it remains the duty of the court to decide all cases brought before it by citizens of one State against citizens of a different State, where a State is not necessarily a defendant (*United States v. Peters*, 5 Cir. 115, 137 (1809)); it must be regarded as a settled doctrine of this court, established by its decisions, that the question whether a suit is within the prohibition of the Eleventh Amendment is not always determined by reference to the nominal parties on the record, but is determined by a consideration of the nature of the case as presented on the whole record (Ex parte Ayers, 123 U. S. 443, 487 (1887) distinguishing *Poindexter v. Greenhow*, 114 U. S. 270 (1885) from *Osborn v. Bank of United States*, 9 Wheat 738 (1824)).

The adoption of the Eleventh Amendment to the Constitution overruled the decision of the Supreme Court of the United States written by Justice Iredell in *re Chisholm vs. Georgia*, 2 Dallas 419 (1793) sustaining the right of a citizen to sue a State.

A suit nominally against individuals, but restraining or otherwise affecting their action as State officers may be in substance a suit against the State which the Constitution forbids.⁴³

A suit against the governor solely in his official capacity to recover money in the state-treasury, was considered a suit against the state (*Governor of Georgia v. Madrazo*, 1 Pet. 110 (1828) confirmed in *Kentucky v. Dennison*, 24 How. 66, 98, (1861)).

⁴³ *Worcester County Trust Co. v. Riley*, 302 U. S. 292 (1937), citing *Louisiana v. Jumel*, 107 U. S. 711 (1883); *Hagood v. Southern*, 117 U. S. 52 (1886); *In re Ayers*, 123 U. S. 443 (1887); *North Carolina v. Temple* 134 U. S. 22, 30 (1890); *Smith v. Reeves*, 178 U. S. 436 (1900); *Lankford v. Platte Iron Works*, 235 U. S. 461 (1915); *Ex parte State of New York, No. 1*, 256 U. S. 490, 500 (1921); *Missouri v. Fiske*, 290 U. S. 18, 28 (1933); *Cunningham v. Macon & Brunswick R. Co.*, 109 U. S. 446 (1883); *Wells v. Roper*, 246 U. S. 335 (1918).

Federal jurisdiction to enjoin execution of a State law on the ground of unconstitutionality should be exercised only in clear cases and when necessary to prevent great and irreparable injury (*Cavanaugh v. Looney*, 248 U. S. 453 (1919); followed in *Hygrade Provision Co. v. Sherman*, 266 U. S. 497, 500 (1925); *Massachusetts State Grange v. Benton*, 272 U. S. 525 (1926)). Only a case of manifest oppression will justify such interference; the reluctance of the court to interfere by injunction with the activities of State officials conscientiously endeavoring to fulfill their duty, was of itself adequate ground for refusing an injunction against certain state and county highway officials, to restrain interference with maintenance of a bridge, and collection of tolls, — a matter which depended upon the construction of the local law against perpetuities (*Hawks v. Hamill*, 288 U. S. 52 (1933)).

Ordinarily there should be no interference with such officers, primarily they are charged with the duty of prosecuting offenders against the laws of the state, and must decide when and how this is to be done. "The accused should first set up and rely upon his defense in the State court even though this involves a challenge of the validity of some statute, unless it plainly appears that this course would not afford adequate protection." (*Fenner v. Boykin*, 271 U. S. 240, 243 (1926), refusing injunction to restrain law officers from enforcing by arrest and prosecution a state law penalizing certain gambling contracts on the ground of interference with interstate commerce and deprivation of constitutional rights).

Generally, suits to restrain action of State officials can, consistently with the constitutional prohibition, be prosecuted only when the action sought to be restrained is *without the authority of State law or contravenes the statutes or Constitution of the United States*.⁴⁴ (Italics supplied.)

In view of the fact that this court is not holding that the State statutes in question are unconstitutional, or have been vitiated, even *pro tanto*, by the decision of the Supreme Court of the United States in the case of *United States v. South-Eastern Underwriters Assn.*, 322 U. S. 533; 64 Sup. Ct. Rep. 1162; 88 L. Ed. 1082, it must necessarily hold that this suit is against the State without its consent, in violation of the 11th Amendment to the Constitution of the United States and hence cannot be maintained. Plaintiff's theory that the cause of action can be maintained against these defendants in their official capacities is necessarily predicated upon its contention that the State statutes in question are unconstitutional, or at least have been vitiated, *pro tanto*, by the aforementioned Supreme Court decision, and its contention would be sound if such were the fact; but, in view of the fact that the court is holding that the State statutes in question have not been invalidated, it is believed that the plaintiff will have no quarrel with the court's ruling.

There are quite a number of authorities holding that state officers can be sued where they are acting under an unconstitutional state statute, as not being a suit against the state. For instance, suits by individuals against defendants who claim to act as officers of a State, and, under color of an unconstitutional statute, to recover for injury to property; or to recover money or property unlawfully taken from them in behalf of the State; or, for compensation for damages; or, in a proper case, for an injunction to prevent such wrong and injury; or, for a mandamus to enforce the performance of a plain legal duty, purely ministerial; are not, within the meaning of the amendment, suits against the State.⁴⁵

An injunction against sale by a State land commissioner, under a statute adjudged unconstitutional of swamp lands purchased under an earlier act was held not a suit against the state.⁴⁶ Furthermore, a suit against State officers to enjoin them from

⁴⁴ *Worcester County Trust Co. v. Riley*, 302 U. S. 292 (1937), citing *Ex parte Young*, 209 U. S. 123 (1908), *Scully v. Bird*, 209 U. S. 481 (1908); *Old Colony Trust Co. v. Seattle*, 271 U. S. 426 (1926); *Louisiana v. Jewel*, 107 U. S. 711 (1883); *Hagood v. Southern*, 117 U. S. 52 (1886), *In re Ayers*, 123 U. S. 443 (1887); *Lankford v. Platte Iron Works*, 235 U. S. 461 (1915).

⁴⁵ *Re Tyler*, 149 U. S. 164, 190 (1893) followed in *Scott v. Donald*, 165 U. S. 58, 67; 165 U. S. 107 (1897).

⁴⁶ *Pennoyer v. McConaughy*, 140 U. S. 1 (1891). In reaching this conclusion the court cited *Osborn v. Bank of United States*, 9 Wheat. 738 (1824); *Davis v. Gray*, 16 Wall. 203 (1873) (suit to restrain sale of railroad land grants, declared forfeited by State Law); *Tomlinson v. Branch*, 15 Wall. 460 (1873); *Litchfield v. Webster County*, 101 U. S. 773 (1879); *Board of Liquidation v. McComb*, 92 U. S. 531 (1876) (restraint of State commission from issuing, in liquidation of State debt to a certain Levee Co., of certain of the same kind of bonds as held by petitioner); *Allen v. Baltimore & O. R. Co.*, 144 U. S. 311 (1885) (similar to McComb case); *Poindezter v. Greenhow*, 114 U. S. 270 (1885) detinue against a tax collector who, under color of State law, held unconstitutional, refused tender of tax-receivable coupons and distrained on certain property of petitioner.

enforcing a tax alleged to be in violation of the Constitution of the United States is not a suit against a State within the prohibition of the Eleventh Amendment (*Gunter v. Atlantic Coast Line R. Co.* 200 U. S. 273, 283 (1906)). This doctrine announced in many previous cases on the subject was stated by Mr. Justice Harlan, in *Smyth v. Ames*, wherein it was said: "It is the settled doctrine of this court that a suit against individuals for the purpose of preventing them as officers of a State from enforcing an *unconstitutional enactment* (italics supplied) to the injury of the rights of the plaintiff, is not a suit against the State within the meaning of that Amendment (169 U. S. 466, 518-519), (1898). See also *Prout v. Starr*, 188 U. S. 537 (1903) *Reagan v. Farmers' Loan & T. Co.*, 154 U. S. 362 (1894).

Furthermore, a suit to restrain a State officer from executing an *unconstitutional statute* (italics supplied), in violation of plaintiff's rights and to his irreparable damage, is not a suit against the State, and individuals who, as officers of the State, are clothed with some duty in regard to the enforcement of the laws of the State, and who threaten and are about to commence proceedings, either of a civil or criminal nature, to enforce against parties affected an *unconstitutional act* (italics supplied) violating the Federal Constitution, may be enjoined by a Federal court of equity from such action. (Ex parte Young, 209 U. S. 123 (1906)). This principle is not confined to the maintenance of suits to restrain enforcement of statutes which are unconstitutional, but applies also when the attempted administration of a valid statute is unconstitutional.⁴⁷ The citations of plaintiff to the effect that these defendants can be sued in their official capacities in the Federal court are based upon the theory that they are acting under an unconstitutional state statute.

In view of the foregoing decisions the court deems it unnecessary to go into the doctrine of *res judicata*.

In accordance with the foregoing Opinion, the court finds that the insurance statutes of the State of California, involved in this suit, have not been vitiated in any way by the decision of the Supreme Court in the case of *United States v. South-Eastern Underwriters Assn.* (supra), which are still in full force and effect for the purposes of this suit and that this is in fact a suit instituted against the State of California without its consent, in violation of the Eleventh Amendment to the Federal Constitution, and, therefore, cannot be maintained, no consent having been given thereto and the suit against Alvin J. O'Lein having been dismissed.

The defendants' motion to dismiss is granted and counsel for the defendants will prepare a judgment of dismissal with costs for the signature of the court, after having presented same to counsel for the plaintiff for approval as to form.

Dated — Los Angeles, California, this 16 day of January, 1945.

J. F. T. O'CONNOR, Judge

⁴⁷ *Green v. Louisville & I. R. Co.*, 244 U. S. 499 (1917), followed in *Louisville & N. R. Co. v. Greene*, 244 U. S. 522 (1917); *Illinois C. R. Co. v. Greene*, 244 U. S. 555 (1917); See also *Tanner v. Little*, 240 U. S. 369 (1916); *Harrison v. St. Louis & S. F. R. Co.*, 232 U. S. 318 (1914); *Herndon v. Chicago R. I. & P. R. Co.*, 218 U. S. 135 (1910); *Ludwig v. Western Union*, 216 U. S. 146 (1910); *Hunier v. Wood*, 209 U. S. 205 (1908); *Philadelphia Co. v. Stimson*, 223 U. S. 605, 621 (1912); *Truax v. Raich*, 239 U. S. 33, 37 (1915); *Worcester County Trust Co. v. Riley*, 302 U. S. 292 (1937).

APPENDIX G

IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA
IN AND FOR THE COUNTY OF VENTURA.

The People of the State of California,
Plaintiff and Respondent,
vs.
F. O. Robertson,
Defendant and Appellant.

No. 27739

Memorandum of Opinion

In the Justice's Court of Ventura Township the defendant was found guilty of two counts of violation of the Insurance Code of California: (1) Violation of Section 703a of the Insurance Code, and (2) violation of Section 1642 of the same Code. The case comes to the Superior Court on appeal from the judgment rendered pursuant to such conviction.

There is no dispute as to the facts involved, which may be stated from appellant's brief as follows:

"In the case at Bar the record shows: *One*, that the First National Benefit Society had sent through the United States mails certain advertising material containing inquiry cards, to prospective purchasers. *Two*, that one A. J. O'Lein forwarded to the Society at Phoenix, through the same mail the inquiry card in evidence. *Three*, that the Society forwarded the same inquiry card to F. O. Robertson through the mail. *Four*, that an application was signed by the said O'Lein and his wife and forwarded direct to the Society through the mail. *Five*, that the application was accepted at Phoenix, Arizona, and policy mailed direct to the said O'Lein at Ventura, California, with instructions to make all payment direct to the home office at Phoenix. (Rep. Tr. Page 6-15.)"

Thus the defendant, in California acted as agent for a nonadmitted insurer, without a license, and is clearly guilty of the crimes charged.

The whole ground of appeal is that the decision by the United States Supreme Court in the recent case of *United States v. South-Eastern Underwriters Assn.*, 64 S. Ct. 1162, compels a reversal of the judgment for the reason that the State of California has no power to regulate any phase of the insurance business, if that business be interstate.

I have very carefully read the decision in question. It holds that the business of insurance is commerce, and that a Federal indictment for conspiracy to violate the Sherman Anti-Trust Act is good against demurrer. There is nothing in the case which overrules prior decisions of the Supreme Court, holding state regulation of insurance to be valid.

As Mr. Justice Black points out: "Insurance touches the home, the family, and the occupation or business of almost every person in the United States"; and on page 1089 of the reported decision it is stated:

"In all cases in which the Court has relied upon the proposition that 'the business of insurance is not commerce,' its attention was focused on the validity of state statutes — the extent to which the Commerce Clause automatically deprived states of the power to regulate the insurance business. Since Congress had at no time attempted to control the insurance business, invalidation of the state statutes would practically have been equivalent to granting insurance companies engaged in interstate activities a blanket license to operate without legal restraint. As early as 1866 the insurance trade, though still in its infancy, was subject to widespread abuses. To meet the imperative need for correction of these abuses the various state legislatures, including that of Virginia, passed regulatory legislation. *Paul v. Virginia* upheld one of Virginia's statutes. To uphold insurance laws of other states, including tax laws, *Paul v. Virginia's* generalization and reasoning have been consistently adhered to."

And on page 1091 the following language conclusively demonstrates that it was not the intention of the Supreme Court to deny to the several states the right to regulate insurance:

"It is settled that, for Constitutional purposes, certain activities of a business may be intrastate and therefore subject to state control, while other activities of the same business may be interstate and therefore subject to federal regulation. And there is a wide range of business and other activities which, though subject to federal regulation, are so intimately related to local welfare that, in the absence of Congressional action, they may be regulated or taxed by the states. In marking out these activities the primary test applied by the Court is not the mechanical one of whether the particular activity affected by the state regulation is part of interstate commerce, but rather whether, in each case, the competing demands of the state and national interests involved can be accommodated. And the fact that particular phases of an interstate business or activity have long been regulated or taxed by states has been recognized as a strong reason why, in the continued absence of conflicting Congressional action, the state regulatory and tax laws should be declared valid."

Therefore all that this important leading case holds is that the Federal law applies to interstate insurance, and that state law likewise applies to interstate insurance until the Federal government may exercise its power to legislate in that particular field.

The judgment is affirmed.

Dated this 20th day of April, 1945.

(Signed) LOUIS C. DRAPEAU
Judge of the Superior Court

APPENDIX G (1)

IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA
IN AND FOR THE COUNTY OF VENTURA

HON. LOUIS C. DRAPEAU, JUDGE

The People of the State of California,
Plaintiff and Respondent,
vs.
F. O. Robertson, Defendant and Appellant

No. 27739

REPORTER'S TRANSCRIPT ON APPEAL
Appeal from the Justice's Court of Ventura Township,
County of Ventura, State of California.
Glenn D. Corey, Esq., Justice of the Peace.

APPEARANCES:

For Plaintiff and Respondent:

M. Arthur Waite, District Attorney,
Ventura, CaliforniaBy Julien G. Hathaway,
Deputy District Attorney.

For Defendant and Appellant:

Robert R. Weaver,
448 South Hill Street,
Los Angeles 13, California.

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**Superior Court's opinion and Jurisdictional Statement filed with the United States Supreme Court
are not reproduced herewith since they were both previously sent you.
People's Exhibits in Justice's Court on pages 21 *et seq.* hereof.

Filed 9/1/44
Glenn D. Corey,
Justice of the Peace

The People of the State of California, Plaintiff,)
vs.)
 F. O. Robertson, Defendant.

(Seal)

Filed 10/2/44
L. E. Hallowell, Clerk
By (Signed) Delia Riggins
Deputy Clerk

Filed 9/29/44
Glenn D. Corey
Justice of the Peace

IN THE JUSTICE'S COURT OF VENTURA TOWNSHIP
COUNTY OF VENTURA, STATE OF CALIFORNIA

The People of the State of California, Plaintiff	}	8133
<i>vs.</i> F. O. Robertson, Defendant		

NOTICE OF APPEAL

To the Honorable Glen D. Corey, Justice of the above entitled Court, and to Arthur M. Waite, District Attorney of Ventura County, California:

You and each of you will please take notice that the above named defendant in the above entitled action hereby appeals to the Superior Court of the State of California, in and for the County of Ventura, from that certain judgment of conviction, and the whole thereof, rendered in the above entitled Court on the 29th day of September, 1944.

This appeal is taken on both questions of law and fact.

Dated this 29th day of September, 1944

(Signed) ROBERT R. WEAVER,
Attorney for Defendant.

Received copy of the within Notice of Appeal this 29th day of September, 1944

(Signed) JULIEN G. HATHAWAY,
*Deputy District Attorney,
Attorney for the People.*

Filed 10/2/44
L. E. Hallowell, Clerk
By (Signed) Delia Riggins
Deputy Clerk

Filed 9/29/44
Glenn D. Corey
Justice of the Peace

IN THE JUSTICE'S COURT OF VENTURA TOWNSHIP
COUNTY OF VENTURA, STATE OF CALIFORNIA

The People of the State of California, Plaintiff	}	8133
<i>vs.</i> F. O. Robertson, Defendant		

STATEMENT OF APPEAL

To the Honorable Glen D. Corey, Justice of the above entitled Court, and to Arthur M. Waite, Esq., District Attorney of Ventura County, State of California:

Whereas, the defendant, F. O. Robertson, having on the 29th day of September, 1944, duly taken an appeal from the judgment therein entered in the said above named Justice's Court of Ventura Township for the County of Ventura, State of California on the said 29th day of September, 1944.

You and each of you are hereby notified that said defendant, F. O. Robertson, in the above entitled cause now presents this, his statement of grounds of appeal and points upon which he relies upon appeal from the above entitled court to the Superior Court of the State of California in and for the County of Ventura, as follows:

I.

That the evidence taken and heard by the Court in said cause is insufficient to justify the judgment in that it discloses that all of the actions of the defendant consisted of a series of events constituting transactions in interstate commerce and, therefore, were not subject to prosecution under the laws of the State of California.

II.

That the judgment is contrary to law.

III.

That the judgment is contrary to evidence.

IV.

That the judgment is contrary to the law and the evidence.

V.

That the court erred in its decisions of matters of questions of law arising during the course of the trial.

VI.

That the complaint on which this action is predicated fails to state a public offense in that it appears on the face thereof that the acts of the defendant complained of were, if true, done by him in accordance with the provisions of the Fourteenth Amendment to the Constitution of the United States and the laws of the United States pertaining to the transactions of interstate commerce.

VII.

That the court was without jurisdiction to entertain this proceeding for the reason that it appears on the face of the complaint that the acts of the defendant complained of were those pertaining to transactions in interstate commerce.

VIII.

That Sections 703(a) and 1642 of the Insurance Code of the State of California are unconstitutional and in violation of and contrary to the commerce clause of the constitution of the United States and the Fourteenth Amendment thereof.

Wherefore, Defendant prays that the court allow and settle the above as and for his statement on appeal.

(Signed) ROBERT R. WEAVER,
Attorney for Defendant.

The Court does now settle and allow the foregoing Statement on Appeal and hereby certifies that the same is a true and correct statement of the issues had in the above entitled action.

Dated this.....day of....., 1944.

*Justice of the Peace of Ventura Township,
Ventura County, California*

Received copy of the within Statement on Appeal this 29 day of September, 1944.

(Signed) JULIEN G. HATHAWAY, *Dep. Dis. Atty.*
Attorney for the People

IN THE JUSTICE'S COURT OF VENTURA TOWNSHIP
COUNTY OF VENTURA, STATE OF CALIFORNIA

GLENN D. COREY, Esq., *Justice*

The People of the State of California,
Plaintiff

vs.

F. O. Robertson,

Defendant

No. 27739

CHARGE: Violation of Section 703(a)
and Section 1642, Insurance
Code.

REPORTER'S TRANSCRIPT

OF

PROCEEDINGS

FILED

Oct. 19, 1944

L. E. Hallowell, Clerk

By (Signed)

Irene Van Fossen, Deputy Clerk

Ventura, California, Tuesday, September 26, 1944, 2:00 o'clock P.M.

APPEARANCES:

For the People:

Julien G. Hathaway, Esq.

Deputy District Attorney

Robert R. Weaver, Esq.

For the Defendant:

D. L. Hossack, Official Reporter.

VENTURA, CALIFORNIA, TUESDAY, SEPTEMBER 26, 1944, 2 P.M.

THE COURT: The People of the State of California *versus* F. O. Robertson.

MR. HATHAWAY: This was the time set for trial, if the court please, in that matter and I am ready to proceed.

THE COURT: Is the defendant ready?

MR. WEAVER: The defendant is ready.

THE COURT: Mr. Weaver, do you waive the reading of the complaint?

MR. WEAVER: We waive the reading of the complaint, your Honor.

MR. HATHAWAY: I believe, if I am not mistaken, the reading of the complaint and the arraignment and plea have all been taken care of already in the due and regular form and time in this court and the matter is coming on at this time for trial.

THE COURT: For trial.

MR. HATHAWAY: I believe Mr. Robertson or his attorney was delivered a copy of the complaint at the time of the arraignment.

THE COURT: That is correct.

MR. HATHAWAY: Mr. O'Lein, will you come forward and be sworn, please?

A. J. O'LEIN,

called as a witness on behalf of the People, having been first duly sworn, testified as follows:

DIRECT EXAMINATION

By MR. HATHAWAY: Q. Your full name is A. J. O'Lein?

A. Yes, sir.

Q. And where do you live, Mr. O'Lein? A. I did live at 1561 Santa Ynez. We are just moving.

Q. You just moved in the last few days? A. Yes, sir.

Q. But your residence on or about the 28th day of August, 1944, was the address you have just given? A. Yes, sir.

Q. On Santa Ynez, was it? A. Santa Ynez Street, yes, sir.

Q. Do you know the defendant, F. O. Robertson, who sits here in court?

A. I met him that day.

Q. By that day you mean the 28th day of August? A. Yes, sir.

Q. Or on or about that date, of this year? A. On or about that date, yes, sir.

Q. How did you meet him? A. He called at my house.

Q. About what time of day was that? A. I am not sure, but I believe it was about the middle of the afternoon.

Q. At the address you have given on Santa Ynez? A. Yes, sir.

Q. That is Santa Ynez Street here in the City of Ventura? A. In the City of Ventura.

Q. Did he state what business he had with you or the purpose of his visit? A. He said that he had gotten a card that I had put in the mail.

Q. Did he say whether he represented himself or some organization? A. He said he represented this insurance company, — The First National —

Q. Do you remember the name? A. The First National or National Insurance Company.

Q. The First National Insurance Company? A. I am not sure whether it was First National or National. I think it was National.

Q. Perhaps we can identify it a little more fully in just a moment. Let me digress from that question just a moment. Had you ever received any literature, cards or other — perhaps erroneously using the term — advertisement for any insurance company, that you had answered? A. Just one, yes.

Q. You had from that insurance company? A. Yes, sir, a card.

Q. And did you answer the card? A. I did.

Q. And request information? A. I just put my name and address on it, and one thing another, and sent it in. I think everything was on the card.

Q. I will show you here, Mr. O'Lein, a kind of a reddish colored card — postal card — bearing, aside from the — I will try to read the thing into evidence as it is. Bearing in the upper left-hand corner a block in black, with a hollow circle, reading, "Postage will be paid by addressee," and in the right-hand upper corner, in a similar block, "No postage stamp necessary if mailed in the United States," and a postal cancellation, "Ventura, Calif., 1944," and in the center of the target stamp "Aug. 20 5 p.m. Business reply card. First National Benefit Society, First National Bank Building, Phoenix, Arizona." And on the reverse, across the top of the card, "No obligation — Fill in — Mail today. First National Benefit Society, First National Bank Building, Phoenix, Arizona." The words in printing, "Gold Seal Emblem of Dependability." And the message, "Please send me, without obligation, details of 'Gold Seal' Policies. Full Name, Alvin J. O'Lein. Street Address 1561 Santa Ynez, City Ventura. State Calif." And underneath that the words, "We pay postage." Will you look at the writing on there, Mr. O'Lein, and state if that is your signature (handing document to the witness.) A. That is.

Q. (Continuing) Or tell me if that is your signature. A. That is.

Q. Is that the card which you signed and to which Mr. Robertson made reference when he stated he had gotten your inquiry? A. That is right.

Q. That is the only insurance company you have in mind when you say "The National Insurance Company?" A. That is the company I have in mind.

Q. So you actually mean the First National Benefit Society? A. That is right.

MR. HATHAWAY: Mr. Weaver has just handed me this card. I asked him if it would be satisfactory to receive it in evidence — or to offer it, and I am offering it with his consent.

THE COURT: As People's Exhibit No. —

MR. HATHAWAY: People's Exhibit 1.

(The document was thereupon received in evidence and marked People's Exhibit No. 1.)

Q. What did he say to you? If you will just detail the conversation to the best of your ability, what he said and what you answered. A. As near as I remember, he said he came in response to this card that I had mailed. And I said to him I had mailed such a card. And then he started explaining his policy to me, and one thing another.

Q. Did he state that he had the authority to sell the insurance to you? A. I do not believe that was mentioned. I do not believe I questioned whether he had authority to sell it or not.

Q. But he did discuss insurance policies with you? A. He did.

Q. Did he solicit your purchasing of a policy of insurance? A. He did.

Q. With that company? A. He did.

Q. What was the deal on the policy, if you did buy a policy? A. The deal was a fellow my age — I do not know whether that was mentioned particularly or not — usually has trouble in getting some insurance. That is the reason I sent the card in the first place, — I wanted a little extra insurance, if I could and walk into this thing. And he explained the insurance policy as any insurance man would, and I don't know, — I was hard to convince.

Q. Did you buy a policy? A. I bought a policy.

Q. What was the premium per month or per year? How much was it to be?

A. I think \$36 a year, and I paid a quarter — \$9.00.

Q. Was there anybody else there besides Mr. Robertson and yourself?

A. Mrs. O'Lein was there in the house.

Q. Did she buy a policy? A. Yes.

Q. During this whole discussion you and Mrs. O'Lein and Mr. Robertson were present? A. She was in the kitchen most of the time, and after talking with him a while I called her in, and I said, "I believe this looks all right. Let's buy a couple of them." I do not know that she said much of anything, but to go ahead and do as I pleased about it.

Q. How much of a check did you give Mr. Robertson? A. \$18.00.

Q. What did that cover? A. A quarter on each policy.

Q. That is, on the policy to be issued to you and the policy to Mrs. O'Lein?

A. Yes, sir.

Q. How was the check made out? Was it made out to the First National Benefit Society? A. No; it was made out to Mr. Robertson. He asked if I would just as soon make the check payable to him, and I said I guessed it was all right, and I did.

Q. I show you here a check, Mr. O'Lein, drawn on the check form of Ventura Branch, Bank of America National Trust and Savings Association, the number being blank, "Ventura, Calif., Aug. 29, 1944. Pay to the order of Fred Robertson, \$18.00" in words and figures, and signed "A. J. O'Lein," bearing on the reverse the endorsement "Fred Robertson." Will you look at that check and tell me if that is the check which you gave to Mr. Robertson (handing check to the witness.) A. That is it.

Q. (Continuing) In payment of the insurance? A. Yes, that is my check.

MR. HATHAWAY: If the court please, I would like to offer this in evidence as People's Exhibit No. . . or let me go further.

Q. This check was returned to you from the Bank of America with your regular monthly statement in the following month? A. Yes, sir.

Q. That is, cashed and passed through the bank? A. Yes, sir.

MR. HATHAWAY: I offer this check in evidence as People's Exhibit No. 2, if the court please.

(The check was thereupon received in evidence and marked People's Exhibit No. 2.)

Q. Did you receive anything from Mr. Robertson as evidence of payment of the two quarterly payments you have mentioned? A. Yes. There was a little, narrow slip, I believe, that was torn off from each policy, about that wide (indicating) and that long (indicating).

Q. The policy or the application? A. The application.

Q. You filled in an application at that time? A. I filled in an application.

Q. And you did not receive the policy that day, did you? A. No. I did not receive the policy for several days.

Q. And the receipt which you got came from the bottom, you say, torn off of the application form? A. I believe that is where it came from, — a little, narrow slip. I believe I gave that to you.

Q. Did Mrs. O'Lein receive one at the same time? A. She did.

Q. I will show you here, Mr. O'Lein, what purports to be a receipt, on a narrow blue slip of paper, and it bears the heading, "First National Benefit Society. Date 8-29-44. Receipt," and the words, "Received of Alvin J. O'Lein the sum of" — and then a certain portion of it has been crossed out — "Certificate into the First National Benefit Society. Deputy (signed) Fred

Robertson. Address L. A. First National Bank Building, Phoenix, Arizona," and certain other words, and at the top, in handwritten script, "Pd. \$9.00 (in figures) Sept.-Oct.-Nov." On the back of this there are certain other figures, which, as far as I know, have no bearing on this case. Have you seen that before, sir? (Handing document to the witness.) A. Yes, sir.

Q. What is that? A. That is the slip that I got, which was torn off of the bottom of the application.

Q. Did you ever see the slip which Mrs. O'Lein received? A. Yes. He handed them both to me.

Q. I show you a document on the same paper and in the same form, and it appears to be the same in every respect, except in the words "Received of Vendla S. O'Lein," and ask you if you have seen this document before. (Handing document to the witness.) A. Yes, sir.

Q. What is that? A. That is the same as this one right here (indicating). He handed me them both — handed them both to me. That is torn off the bottom of her application.

MR. HATHAWAY: If the court please, I offer these two documents in evidence, in the order in which they were identified, as People's Exhibits 3 and 4, I believe. In other words, 3 would be the receipt of Alvin J. O'Lein, and 4 would be the receipt of Vendla S. O'Lein, if they might be appropriately marked.

(The documents were thereupon received in evidence and marked, respectively, People's Exhibit No. 3 and People's Exhibit No. 4.)

Q. Did you ever receive a policy from the First National Benefit Society? A. Yes, sir.

Q. I will show you here, Mr. O'Lein, a document which is captioned on its face "Application for Membership, First National Benefit Society," and so forth, and in the upper left-hand corner, underneath the caption, "Policy No. 154476. Date issued 9-1-44," and, for brevity's sake, I will not read this entire document into the evidence. Have you ever seen this before, sir? (Handing document to the witness.) A. Yes, sir.

Q. Is that the policy of insurance which was issued to you? A. That is the policy.

Q. (Continuing) By the First National Benefit Society? A. That is it.

Q. And the only policy you bought from them or had issued to you? A. Yes, sir.

Q. How did you receive that? A. By mail.

Q. Do you know about when that came in? A. I would say probably the 3rd or 4th of September. It was only a few days.

Q. Was it just recently? A. Yes, just this month — early in the month.

Q. I see. A. Just a few days after I wrote the application.

MR. HATHAWAY: If the court please, I offer this document in evidence as People's Exhibit No. 5.

(The document was thereupon received in evidence and marked People's Exhibit No. 5.)

MR. HATHAWAY: I believe that is all. Just a minute, Mr. O'Lein. Mr. Weaver may want to cross-examine you.

CROSS EXAMINATION

By MR. WEAVER: Q. Mr. O'Lein, you say you received the policy itself through the mail? A. Yes, sir.

Q. You signed an application, did you not, for Mr. Robertson? A. I did.

Q. That was an application for a policy, was it not? A. Yes, sir.

MR. WEAVER: Where is the policy?

MR. HATHAWAY: It is in evidence.

(The document was thereupon handed to Mr. Weaver.)

Q. By MR. WEAVER: I notice, Mr. O'Lein, on the front of the policy which you received, filled in in typewriter, a copy of an application. A. Yes.

Q. Is that the copy of the application that you made for the policy itself?

A. It might be in here. It is not the one I signed.

Q. No, but is it the same application? A. Well, I would not be sure. I think so. It looks like it.

Q. Then did you receive any other notation with the policy, when it came, — any other document or paper or notation? A. I think there was a kind of a welcome message to the Society.

Q. And a notification to make all payments direct to the Society at Phoenix, Arizona? A. I do not recall that.

Q. In your discussion with Mr. Robertson was there a statement as to how these premiums were to be made — premium payments were to be made? A. I do not recall that.

Q. Were you to pay them to Mr. Robertson? A. No; I imagine they were to be paid to the company. I do not just remember that part of the conversation.

Q. Mr. O'Lein, did you say you have had some trouble in getting insurance? A. At my age a fellow usually does.

Q. And that is the reason that you applied to this particular company for a policy? A. That is the reason I became interested in that policy. I think I had heard something about that policy over the radio and seen literature, and it was just handy.

Q. You heard about the Society before and then when you got the card you mailed the card in? A. I guess just because the card was right there handy, and I wrote my name and threw it in with some other mail. I expected to hear some more by mail from them.

Q. You knew that the company was an Arizona company? A. Yes.

Q. At the time that you applied? A. Yes.

Q. Have you been given any information by anyone about the stability of this company? A. Well, not particularly, no.

Q. Why did you file a complaint? A. A gentleman from the Insurance Commission called on me.

Q. Had you inquired of him about the policy? A. No. Another insurance man came out and seen me about it after he had heard that I bought it.

Q. What company did that man represent? A. I am not sure. I do not remember. But we did not talk much about it or anything like that. He just asked these questions and then the next day, I think it was, this man came from the Insurance Commission.

Q. You were satisfied with the transaction until someone from the Insurance Department approached you about it? A. That is right. I did not give it much thought or anything else. I just figured it was not a very big investment and if it was all right it would be enough to have for a coffin and something like that.

Q. A policy in this company? A. Yes.

Q. You did not give us your present address. A. I beg pardon?

Q. Your present address, where you live now. A. Gosh, I don't live.

Q. I mean, what is your mail address now? It will be St. Paul, Minnesota, for the next six months.

Q. You do not know what street or number? A. Yes. 689 Simpson Avenue.

Q. But within that time it is here at the same address in Ventura? A. It was at that time, but we have given up that address now and we are leaving to go down there. We will be gone six or eight months all together, going down to take care of my mother.

Q. Oh, I see. A. At the present time I am a man without a country.

Q. Excuse me. A. Or I mean a state.

MR. WEAVER: That is all.

MR. HATHAWAY: Pardon me just a minute.

REDIRECT EXAMINATION

By MR. HATHAWAY: Q. Do I understand — I probably misunderstood you also. You are leaving to spend the next six months in St. Paul? A. Yes.

Q. Minnesota? A. Yes. Five, six, seven or eight months, something like that. I do not know just exactly.

Q. At the time when you bought this policy, Mr. O'Lein, did you know that the First National Benefit Society was not an admitted company or admitted insurance carrier within the State? A. I did not.

Q. Did you know whether or not Mr. Robertson did or did not have a license to sell insurance in the State of California? A. I did not.

Q. And he did not discuss it with you? A. No, he did not. Nothing was said about that at all.

MR. HATHAWAY: I believe that is all.

MR. WEAVER: That is all.

(Witness excused.)

MR. HATHAWAY: Mrs. O'Lein.

VENDLA SANDBERG O'LEIN,

called as a witness on behalf of the People, having been first duly sworn, testified as follows:

DIRECT EXAMINATION

By MR. HATHAWAY: Q. Will you state your full name, please? A. Vendla Sandberg O'Lein. I usually write it "S."

Q. Is that V-e-n or V-a-n? A. It is V-e-n-d-l-a.

Q. I wondered whether it was spelled wrong and should be V-a-n. You are the wife of A. J. O'Lein, who was just on the witness stand? A. I am.

Q. And lived at the time he mentioned at 1561 Santa Ynez Street? A. Yes.

Q. At the same place that he did? A. Yes.

Q. Do you remember seeing Mr. Robertson, who sits here in court? A. I do.

Q. And when was that? A. Well, I cannot state the exact date, but it was the latter part of August.

Q. Was it at the same time or under the same circumstances. A. It was.

Q. (Continuing) — as just testified to by Mr. O'Lein? A. Yes, it was.

Q. Did you not enter into the conversation with Mr. Robertson with reference to the purchase of a policy of insurance? A. No, I cannot say that I did, because I had work to do and I just did not have time to stay in there and listen to the conversation. Mr. O'Lein was taking care of it, and after while Mr. O'Lein called me in and said, "I believe we should buy some of this insurance," and I said, "All right. Go ahead." And that was all there was to that, and I went back to my work.

Q. And you signed an application? A. Yes.

Q. To give Mr. Robertson the information? A. Yes.

Q. Who filled in the application form? A. Mr. Robertson.

Q. You answered the questions that were to be filled in there? A. Yes. I cannot remember that I answered more than one question. He asked me if I had had a doctor in the last five years, which I said I had not.

Q. But you did generally answer the questions? A. Oh, yes.

Q. Which he asked you? A. I did.

Q. And he filled them in on a form which he had; is that right? A. Yes, that is right.

Q. Were you there when Mr. O'Lein gave him the check and Mr. Robertson gave him a receipt or receipts? A. I was not right in the room. The kitchen is right off the living room over there and I was in the next room. I remember, though, asking Mr. Robertson how much money it would take today, and he said \$12.00. That was evidently for two months. Mr. O'Lein gave him a check for \$18.00, covering the period of three months.

Q. Did you see Mr. Robertson give Mr. O'Lein the receipts which have been read into evidence here?

A. I saw the receipts afterwards. I do not recall that I saw him give them to him.

Q. I see. Did you later yourself receive a policy of insurance? A. Yes, I did.

Q. From the First National Benefit Society? A. I did.

Q. And about when did you receive such a policy? A. The first part of September, and I cannot give the exact date.

Q. Fairly recently? A. Yes.

Q. I will show you what purports to be an application and policy — or copy of an application for membership and policy, bearing No. 1554477, date issued 9-1-44, and ask you if you have ever seen this document before. (Handing

document to the witness.) A. I think so. That is the policy I received in the mail.

Q. And that, you state, you received recently, shortly after the first of September? A. Yes.

Q. And this is the only policy of insurance that you have ever bought or had issued to you by the First National Benefit Society? A. It is.

MR. HATHAWAY: If the court please, I would like to offer this in evidence as People's Exhibit next in order. I think it is No. 6.

THE COURT: No. 6.

MR. HATHAWAY: It is in form the same as the policy which was just immediately previously offered.

(The document was thereupon received in evidence and marked People's Exhibit No. 6.)

Q. Did you hear any of the conversation between Mr. Robertson and Mr. O'Lein? A. I heard part of it, in an offhand way. I was in the next room and I would catch a word here and there.

Q. Did Mr. Robertson discuss with Mr. O'Lein the various phases of the insurance to be covered by the policy, — if you heard? If you did not, say no. A. No, I do not believe I really heard that.

Q. In your presence did Mr. Robertson make any comment as to whether or not the First National Benefit Society was an admitted insurance carrier in the State of California? A. He did not.

Q. Did he state whether he was or was not a licensed insurance agent, solicitor, or broker in the State of California? A. Not to my knowledge, he did not.

MR. HATHAWAY: I believe that is all.

CROSS EXAMINATION

By MR. WEAVER: Q. I just wanted to see the last exhibit a moment. I will show you what purports to be an insurance policy, marked People's Exhibit No. 6, bearing on the front a purported copy of an application for insurance. As near as you can remember, is this the application that you signed? A. Well, I did not read the application, but it looks like it would be the application. I know I signed an application.

Q. It gives the name of your husband? A. Yes.

Q. And your occupation as housewife? A. Yes.

Q. And that you have not suffered any acute or chronic disease, and you answered that "No"? A. Yes.

Q. And that you were in good health, and these are apparently the answers that you signed? A. Yes, they are.

Q. Do you know how the policy was received, — whether it was received through the mail or delivered? A. It was through the mail.

MR. WEAVER: I believe that is all.

MR. HATHAWAY: Just a minute. I believe that is all from this witness.

THE WITNESS: Thank you.

(Witness excused.)

MR. HATHAWAY: Mr. O'Lein, would you return to the stand for just a moment, please?

A. J. O'LEIN,

recalled as a witness on behalf of the People, having been previously duly sworn, testified as follows:

DIRECT EXAMINATION

By MR. HATHAWAY: Mr. O'Lein, you have been sworn in this matter a few moments ago. I would like to go back for just a moment to the first time that you saw Mr. Robertson. I believe you stated that was on or about the 28th day of August, 1944, and you stated that he came to the house there, and, if I am correct — and, if I am wrong, you correct me — introduced himself to you. Now, I am not sure as to certain questions I asked you before and I

would like to go over them, subject to objection. Will you state what happened when he first introduced himself to you, again, in case I have overlooked anything? A. He told me he came in response to this card, and showed me the card and asked me if I sent that card, and I said I did. And I asked him to come in, and he came in and sat down and he started in explaining his policy and his deal.

Q. I assume you asked him as to any of the phases —

A. I do not believe —

Q. (Continuing) — or matters to be covered by the policy? A. Well, I think he read the benefits — told me the benefits of the policy. I do not know if he read them or not. He told me what the benefits of the policy were and what the cost was, and one thing another. In fact, I did not think seriously of it. I thought it was all right. He told me I did not need a medical examination, and at my age it was still O. K., I could still get insurance. And I think that is all there was to it. I do not think we talked very long about the policy.

Q. Did he suggest to you that you should purchase the insurance? A. Oh, yes, yes, naturally.

Q. Did he ask you whether you desired to and would file an application for the purchase of such a policy? A. He did. And after I had called Mrs. O'Lein, — I mentioned it to her and thought it was all right and that we ought to buy it, and it was all right, and he started writing the application.

Q. And filling in the application; who filled in the document itself, — the application form? A. Mr. Robertson did.

Q. He asked you certain questions? A. He asked me certain questions.

Q. And you answered him and he filled in the answers? A. Yes, sir.

Q. And thereafter you paid by check, which we have had here before, and he gave you the receipts which you have been shown here? A. Yes, sir.

MR. HATHAWAY: I believe that is all.

THE COURT: Mr. Weaver?

CROSS EXAMINATION

By MR. WEAVER: Q. From your understanding, when were you to make your next payment? A. Well, I understood that this was three months and then there would be another payment due.

Q. And that was to be mailed to the home office at Phoenix, was it? A. I do not remember that. I imagine that was said, but I do not just recall that anything was said about it. But I suppose it was.

Q. What was your idea? A. I believe he did say that I would receive notices from the home office when my policy was due.

Q. He said you were to receive notices from the home office? A. Yes, when more premiums were due.

MR. WEAVER: That is all.

MR. HATHAWAY: That is all.

(Witness excused.)

MR. HATHAWAY: Mr. Boraker.

KENNETH F. BORAKER,

called as a witness on behalf of the People, having been first duly sworn, testified as follows:

DIRECT EXAMINATION

By MR. HATHAWAY: Q. Will you state your full name, please? A. Kenneth F. Boraker.

Q. Where do you live? A. Los Angeles; 1436 Avenue 47.

Q. And with whom are you employed? A. By the State of California, the Department of Insurance.

Q. Have you, at my request, investigated the records of the Department of Insurance, or whatever its appropriate name is, — the department of the State of California which has to do with the admittance or refusal to admittance of insurance companies to practice in the State of California? A. I have.

Q. Have you, in that connection and in that regard, investigated the present standing — or the standing, I should say, of the First National Benefit Society of Phoenix, Arizona, as of the 28th day of August, 1944, and for a short period of time or reasonable period of time before and after that date? A. I have.

MR. WEAVER: Just a minute. I would like to make an objection to it, unless I understand you. Is it the standing of the Society, as to its being admitted in this State?

MR. HATHAWAY: Its admission or non-admission in the State. In other words, if it is admitted in the State — or was during that period of time.

MR. WEAVER: We will stipulate it is not admitted, if that will help any. I did not understand the question.

Q. By MR. HATHAWAY: What did you find with reference to its standing, as to admission to do insurance business in the State of California, on or about that date? A. I found that it did not have a certificate of authority to do business in the State of California on or about that date.

Q. Did you likewise, at my request, investigate to ascertain whether or not O. F. Robertson, F. O. Robertson, or Fred Robertson, the defendant here in court, did or did not have a license to act as insurance agent, solicitor or broker within the State of California? A. I have.

Q. And what was his standing in that regard? A. Our records show that he has no license of any kind.

Q. What was his standing on or about the 28th day of August, 1944? A. He had no license at that time.

MR. HATHAWAY: I believe that is all.

MR. WEAVER: No questions.

MR. HATHAWAY: That is all.

THE COURT: No questions?

MR. WEAVER: No questions.

(Witness excused.)

MR. HATHAWAY: The People rest.

MR. WEAVER: The defendant also rests. I would like, however, before the court's decision, to make just a short argument, to present our theory of this case, whenever the court is ready to hear that. Are you ready to hear that?

THE COURT: I am ready to hear that at this time.

(Arguments of counsel for the respective parties.)

THE COURT: It is the court's thought on the matter, it is not a matter of the integrity of the insurance company. That is not at issue at all, — the integrity of the company. Mr. Weaver, do you waive time for the pronouncement of judgment?

MR. WEAVER: Your Honor, I am in somewhat of a quandary. We want to appeal it and I am a little bit in a quandary. We only have five days in which to get that statement of appeal from the time that we file the notice of appeal. If judgment is passed now, then I must file notice of appeal immediately, in order to avail Mr. Robertson of a bond, — leaving only five days to be back here with a statement on appeal.

MR. HATHAWAY: If I may suggest, if the court please, we have not quite arrived at the stage of waiving time for the pronouncement of judgment. Your Honor has not found yet whether the defendant is guilty or not guilty of counts 1 and 2, and, of course, you could not pronounce judgment until that finding has been made.

MR. WEAVER: I understood the Judge was just giving a little information to me before making it final.

THE COURT: It is the judgment of the court that the defendant is guilty on both counts, counts 1 and 2, as shown by the evidence.

MR. WEAVER: I wonder if the court could continue that until about Friday?

THE COURT: Is that agreeable to the People?

MR. HATHAWAY: Yes. I realize Mr. Weaver is working at a disadvantage.

THE COURT: He is rather handicapped for time.

MR. HATHAWAY: Of course, your Honor, he has the right to ask for a continuance up to five days for the pronouncement of judgment. We have dis-

cussed a potential date and I think that Friday — which is the 29th, if I am not mistaken —

MR. WEAVER: Yes.

MR. HATHAWAY: (Continuing) — is agreeable to me, and I believe it is to Mr. Weaver. Would you rather have it in the morning or afternoon?

MR. WEAVER: The afternoon would be better.

MR. HATHAWAY: 2:00 P.M., if it is convenient to the court's calendar.

THE COURT: 9-29-44, 2:00 P.M.; is that correct?

MR. WEAVER: Yes, your Honor.

THE COURT: That is agreeable to both the People and the defendant?

MR. WEAVER: Yes, your Honor.

MR. HATHAWAY: Yes, your Honor.

(Thereupon an adjournment was taken until Friday, September 29, 1944, at the hour of 2:00 o'clock P.M.)

State of California, }
County of Ventura. } ss.

I hereby certify that I was duly appointed and sworn by Glenn D. Corey, Justice of the Peace of Ventura Township, County of Ventura, State of California, to report in shorthand writing, and did so correctly report all of the testimony given and proceedings had in the above-entitled matter; that I thereafter reduced my said shorthand notes to typewriting, and that the above and foregoing transcript, consisting of 27 pages, numbered 1 to 27, inclusive, is a full, true and correct copy of my said shorthand notes of such testimony and proceedings as contained therein.

Dated at Ventura, California, this 29th day of September, 1944

(Signed) D. L. HOSSACK,

Official Reporter pro tem

State of California, }
County of Ventura. } ss.

I hereby certify that D. L. Hossack, Official Reporter pro tem, was by me duly sworn to report in shorthand, and did so report, the testimony and proceedings had on the preliminary examination in the above-entitled matter, and I further certify that the annexed and foregoing transcript consisting of 27 pages, numbered from 1 to 27, inclusive, is a full, true and correct transcript of such testimony and proceedings.

Dated at Ventura, California, this 29th day of September, 1944.

(Signed) GLENN D. COREY,

*Justice of the Peace in and
for Ventura Township.*

(Seal.)

PEOPLE'S EXHIBIT NO. 1

Business Reply Card addressed to First National Benefit Society on one side of which the following appeared:

First National Benefit Society
First National Bank Building
Phoenix, Arizona

GOLD
Emblem of

SEAL
Dependability

Please send me, without obligation, details of "GOLD SEAL" POLICIES.

Full Name

Alvin J. O'Lein

Street Address

1561 Santa Ynez

City

Ventura

State

Calif.

We pay postage

PEOPLE'S EXHIBIT NO. 2

[Cancelled check drawn on the Bank of America, dated August 29, 1944, payable to the order of Fred Robertson, in the amount of \$18.00 — Signed by A. J. O'Lein.]

PEOPLE'S EXHIBIT NO. 3

Receipt	FIRST NATIONAL BENEFIT SOCIETY	Date 8-29-44
RECEIVED OF	Alvin J. O'Lein	
the sum of	XXXXXXXXXXXX	Certificate into the FIRST NATIONAL BENEFIT SOCIETY
Deputy	Fred Robertson	Address L. A.
	FIRST NATIONAL BANK BUILDING, PHOENIX, ARIZONA	
	Covers All Payments Until First Day of Second Month Following	Date of Application
	IF CERTIFICATE IS NOT RECEIVED IN TEN DAYS NOTIFY HOME OFFICE	
	Membership Fee payable in advance (Payable once only)	
		SAFE — CONSERVATIVE — SOUND

Written on receipt — "Pd. \$9.00 Sept.-Oct.-Nov."

PEOPLE'S EXHIBIT NO. 4

[Same as Exhibit No. 3, except receipt issued to Vendla S. O'Lein]

PEOPLE'S EXHIBIT NO. 5

Form 150M	Application for Membership		
	FIRST NATIONAL BENEFIT SOCIETY		
	A Non-Profit Co-operative Corporation		
	First National Bank Building . . . Phoenix, Arizona		
	MEMBERSHIP FEE \$6.00, PAYABLE IN ADVANCE, ALL AGES		
Policy No. 154476	Date Issued 9-1-44		
Application to Be Filled Out	Premium Table		
in Ink Only	Annually \$36.00		
See Reverse Side of This Application	Semi-Annually 18.00		
	Quarterly 9.00		
	Monthly 3.00		
Full Name?	Alvin J. O'Lein	Date?	9-1-44
Address?	1561 Santa Ynez St.	Ventura	Calif.
	Street	City	State
Date of Birth?	7-15-1885	Age?	59
Height?	6 feet 2 inches	Weight?	200
Beneficiary?	Vendla S. O'Lein	Sex?	Male
Relation of Beneficiary?	Wife	Occupation?	Real Estate Broker
Have you consulted a Doctor during the past five years?	Yes		
Give Details	Strep throat in 1942, no ill effects		
Do you now or have you ever had any chronic or acute disease?	No		
If so, give details			
Are you now in strong and vigorous health?	Yes	Are your habits temperate?	Yes
Do you agree that the Membership applied for shall not take effect until this application is approved by The Society and the Certificate issued?	Yes		
Have you read the copy, on the reverse side hereof, of the Certificate applied for?	Yes		
Have you ever been refused life insurance?	No		
Do you authorize any Doctor, Hospital or Sanitarium, at any time, to give the Society any information they may have regarding your physical condition?	Yes		
Do you represent the answers to the above questions and statements contained			

herein are true and correct and do you agree that any false statement, misrepresentation or concealment of any material fact, in this application, shall for a period of two full years from date of Certificate, limit the amount payable under the Certificate to the total amount paid in Premiums thereon? Yes

ALVIN J. O'LEIN

Applicant

Individual Contracting Member

If Applicant is a minor, have Parent or Guardian
sign Application

Mail Certificate to Applicant []

Individual Contracting Member []

Application for Membership—Continued

ADDITIONAL PROVISIONS

This Certificate is free from restrictions as to Aeronautics and Military or Naval service, either in time of peace or in time of war.

After two full years from date hereof or any reinstatement hereunder, during the lifetime of the Member, this Certificate shall become incontestable except for the non-payment of Premiums or Assessments within the time specified herein or in the event of suicide as herein provided.

The Member shall not be liable for any debts of the Corporation or for any other obligation save and except the Costs required herein and then only so long as the Certificate remains in force and effect.

Should this Certificate lapse for non-payment of any Premium or Assessment it may be reinstated within one year from date of lapse or after notice of lapse, whichever is longer, upon written Application furnishing to the Corporation evidence of insurability, satisfactory to the Society and the payment of all arrearages. As a result of such reinstatement no benefits provided by this Certificate shall be reduced, and the Benefits accrued shall remain in effect as if no lapse occurred.

Any valid Claim against the Corporation shall be paid within Sixty (60) days from the date of filing at the Home Office of the Corporation, acceptable proof of loss, together with satisfactory evidence of the interest of the Claimant.

SUICIDE OR SELF-DESTRUCTION, WHETHER SANE, OR INSANE, IS NOT A RISK ASSUMED UNDER THIS CERTIFICATE EXCEPT FOR THE RETURN OF THE PREMIUMS PAID HEREON.

This Certificate shall be absolutely free from all conditions as to residence, travel, occupation, place or manner of death. False statement, misrepresentation, or concealment of any material fact in the Member's application for this Certificate shall, for a period of two full years from the date hereof or from the date of any reinstatement hereof, limit the amount payable to the sum paid in Premiums by the Member on this Certificate and no more.

“GOLD SEAL” Single Life Certificate Provides for — Accumulation Increase —
Death Benefits — Dividends to Living Member

CASH DIVIDENDS PAYABLE TO THE LIVING MEMBER — DEATH BENEFITS PAYABLE
TO BENEFICIARY OF DECEASED MEMBER

World-Wide Coverage — Covers Death From Any Cause — Benefits are Non-Cancellable:

Number 154476

FIRST NATIONAL
BENEFIT SOCIETY

See Schedule for Ages
Age 59

PREMIUM TABLE

Annually	\$36.00
Semi-Annually	18.00
Quarterly	9.00
Monthly	3.00

A Non-Profit
Co-Operative
Corporation

Any premium deposit
as shown opposite may
be made on any pre-
mium deposit due date.

HOME OFFICE

PHOENIX, ARIZONA

DOES HEREBY ADMIT AS A MEMBER

* * ALVIN J. O'LEIN * *

Whose Beneficiary Is * * VENDLA S. O'LEIN, wife * *

AND WILL PAY AS FOLLOWS:

- - - SCHEDULE OF BENEFITS - - -

Entrance Age Determines Amount Payable

Age at Issue	Amount of Benefit	Age at Issue	Amount of Benefit
10 to 15	\$1875.00	68	\$255.00
16	\$1845.00	69	\$240.00
17	\$1800.00	70	\$225.00

[Table of ages from 10 years to 70 included in certificate shown here briefly as above]

to the Beneficiary herein named, upon receipt by the Corporation at its Home Office, of due proof that the Member herein named died while this Certificate was in full force and effect, subject, however, to all the terms and conditions herein contained. THE MAXIMUM BENEFIT PAYABLE SHOWN OPPOSITE AGE AT ISSUE IN THE ABOVE SCHEDULE SHALL BE DETERMINED BY THE ENTRANCE AGE OF THE MEMBER, AND SHALL INCREASE FIVE (5%) PER CENT PER ANNUM FOR EACH YEAR THIS CERTIFICATE REMAINS IN FORCE AND EFFECT, FOR A PERIOD NOT OVER TEN (10) YEARS FROM THE DATE HEREOF, BUT IN NO EVENT SHALL THE BENEFITS PAYABLE HEREUNDER BE IN EXCESS OF THE SUM EQUAL TO ONE AND ONE-HALF THE AMOUNT PROVIDED AT AGE OF ENTRANCE OF THE MEMBER, ACCORDING TO THE AMOUNT SHOWN OPPOSITE THE AGE AT ENTRY IN THE ABOVE SCHEDULE. IF THE DEATH OF THE MEMBER OCCURS WITHIN SIX MONTHS AFTER DATE OF THIS CERTIFICATE, THE AMOUNT PAYABLE HEREUNDER SHALL BE ONE-THIRD OF THE AMOUNT SHOWN OPPOSITE THE AGE AT ENTRY OF THE MEMBER. IF THE DEATH OF THE MEMBER OCCURS MORE THAN SIX MONTHS, BUT LESS THAN TWELVE MONTHS FROM THE DATE HEREOF, THE AMOUNT PAYABLE HEREUNDER SHALL BE TWO-THIRDS OF THE AMOUNT SHOWN OPPOSITE THE AGE AT ENTRY OF THE MEMBER.

This Certificate is issued in consideration of the Signed Application of the Member, approved at the Home Office of the Corporation and hereby made a part of this Contract, and the payment of the Membership fee in the sum of Six (\$6.00) Dollars, receipt of which is hereby acknowledged, and the future payment of all amounts required to be paid by conditions of this Certificate on or before the date due to the Home Office of the Corporation, during the continuance of this Contract.

The Member is entitled to a Grace period of fifteen (15) days following the due date of any Premium or Assessment, during which time this Certificate shall not be forfeited.

DIVIDENDS: The Board of Directors may, at the close of any calendar year, if in their opinion the Mortuary Fund so justifies, make a refund to the Holder of this Certificate but in no event is such sum to exceed Fifty (50) per cent of the amount the Member has contributed to the Mortuary Fund during such year.

[On reverse side of Certificate the following additional provisions appear]

ADDITIONAL PROVISIONS — (Continued)

The Member shall have the right to change the Beneficiary without notice or consent of such or any Beneficiary by giving notice in writing to the Corporation, upon forms furnished by the Corporation. In the event that the Beneficiary nominated by the Member be dead at the time of the death of the Member, payment hereunder shall be made to the administrator or executor of the estate of the Member. If the Beneficiary be a minor or otherwise legally incompetent, payment of Claim shall be made to the legal guardian of such Beneficiary and in case of dispute as to whom any payment hereunder shall be made, the Corporation reserves the right to pay to a court of competent jurisdiction for adjudication.

In the event of a Claim under this Certificate, proper and sufficient proof of death of the Member shall be submitted to the Home Office upon forms furnished by the Corporation for that purpose, furnishing to the Corporation any and all data, information or proof as may be required. This Certificate shall be deemed to be made and payable at Phoenix, Arizona.

The lawfully required portion of Premiums paid on this Certificate shall be set aside into the Mortuary Fund. Premiums necessary to maintain the Certificate in force are not fixed amounts and in event of Premium insufficiency may be adjusted,

with the written approval of the Corporation Commission, for the purpose of payment of claims and general operating expenses. In the event of any emergency caused by excessive mortality the Corporation may, with the written consent or at the direction of the Corporation Commission, levy Assessments on Members to be placed in the Mortuary Fund.

If the age of the Member has been mis-stated in his Application, the amount payable hereunder shall be such as the Premium paid would have purchased at his or her correct age. In the event that the age of the Member was more than Seventy (70) years at the date of issuance of this Certificate, the Corporation is liable only to the extent of the return of all Premiums paid hereon.

This Certificate, including any written Amendment hereto and the Application therefor, a copy of which appears hereon, shall constitute the entire Contract between the Member and the Corporation.

This Corporation is organized as a Mutual Benefit Corporation and operates under the Benefit Insurance Corporation Law of 1943, Chapter 95, Arizona Session Law of 1943, and reserves all rights according to law.

PEOPLE'S EXHIBIT NO. 6

[Not reproduced herewith because it is the application for membership and certificate forms identical with those reproduced in Exhibit No. 5 — the only difference in completion of the forms being that in Exhibit No. 6 the documents are for insurance on the life of Mrs. O'Lein in favor of her husband (Policy No. 154477) whereas Exhibit No. 5 is insurance on Mr. O'Lein in favor of his wife (Policy No. 154476).]

People's Exhibits numbered 1 to 6 in the Justice's Court of Ventura Township, Ventura County, are reproduced on pages 21 to 26 hereof. In the Reporter's Transcript on Appeal these were shown in photostats. All the exhibits were received in evidence on 9/26/44 by Justice of the Peace Glenn D. Corey.

Filed 10/2/44

L. E. Hallowell, Clerk

By (Signed) Delia Riggins,
Deputy Clerk

IN THE JUSTICE'S COURT OF VENTURA TOWNSHIP
COUNTY OF VENTURA, STATE OF CALIFORNIA

GLENN D. COREY, Justice

The People of the State of California, Plaintiff

vs.

F. O. Robertson, Defendant

8133

WARRANT OF ARREST
(Misdemeanor)

The People of the State of California, to any Sheriff, Constable, Marshal or policeman of said County of Ventura;

Complaint, upon oath, having been this day laid before me GLENN D. COREY, a Justice of the Peace of said Township, by A. J. O'Lein that the offense of Violation of Section 703(a) and Section 1642 of the Insurance Code has been committed, and accusing F. O. ROBERTSON thereof,

YOU ARE THEREFORE COMMANDED forthwith to arrest the above named F. O. ROBERTSON and to bring him before me forthwith, at my office in said Township.

WITNESS my hand, at my office in said Township, this 1st day of September, 1944.

(Signed) GLENN D. COREY

Justice of the Peace of said Township.

State of California,

County of Ventura.

ss.

I CERTIFY that I received the above warrant on the..... day of....., 194.. and served the same by arresting the above named..... thereon at..... on the..... day of....., 194.., and bringing him into Court, this..... day of....., 1944.

(Signed) L. HOWARD DURLEY,
Sheriff

Ventura Township, County of
Ventura.

By (Signed) RALPH GRAGG,
Deputy Sheriff

Filed 10/2/44
L. E. Hollowell, Clerk
By (Signed) Delia Riggins
Deputy Clerk

Filed 9/2/44
Glenn D. Corey
Justice of the Peace

WESTERN UNION
MONEY ORDER MESSAGE

No. 856.

Ventura, Cal., Sept. 2, 1944

To GLENN COREY JUSTICE OF THE PEACE

The Money Order paid you herewith is from ETHEL WEBER at BEVERLY HILLS CALIF and included the following message: FOR MR. F. O. ROBERTSON.

IN THE JUSTICE'S COURT OF VENTURA TOWNSHIP
COUNTY OF VENTURA, STATE OF CALIFORNIA

The People of the State of California, Plaintiff

vs.

F. O. Robertson, Defendant

} Charge Sec. 702(a)
} Insurance Code
} Case No. C 8133

Filed 10/2/44
L. E. Hollowell, Clerk
By (Signed) Delia Riggins,
Deputy Clerk

ORDER FOR RELEASE OF PRISONER

To the Sheriff of Ventura County: By Ethel Weber, Beverly Hills

This is to command you to release from custody F. O. ROBERTSON, the above named defendant in the above entitled cause, for the following reasons, viz:

Cash Bail \$500.00 posted for appearance

9-7-44 at 2 P.M.

Signed GLENN D. COREY
Justice of the Peace of and for
VENTURA Township

Dated 9-2-44

ROBERT R. WEAVER
Attorney at Law
404 First National Bank Bldg.
Central at Washington
Telephone 3-1753
Phoenix, Arizona

Filed 10-2-44
L. E. Hollowell, Clerk
By (Signed) Delia Riggins
Deputy Clerk

September 15, 1944

Office of the Justice of the Peace
Ventura, California
Dear Sir:

Re: PEOPLE vs. ROBERTSON

When were at Ventura a few days ago the above matter was set for trial on September 26th at 10 o'clock with the understanding that if a Jury were waived by September 19th, the time of the trial would be at 2 o'clock on the same date.

Since the matter involved is more a matter of law than of fact, we waive the jury and ask the Court to set the case at 2 o'clock as we had tentatively agreed upon.

Would you kindly inform me whether or not this can be done so that the defendant will not be in danger of forfeiting his bond by waiting until 2 o'clock for appearance.

Yours very truly,
(Signed) ROBERT R. WEAVER

RRW:S

Filed 10/2/44

L. E. Hallowell, Clerk

By (Signed) Delia Riggins,
Deputy Clerk

IN THE JUSTICE'S COURT OF VENTURA TOWNSHIP
COUNTY OF VENTURA, STATE OF CALIFORNIA

GLENN D. COREY, Justice

CRIMINAL

The People of the State of California,
Plaintiff

vs.

F. O. Robertson, Defendant

Charge-Section 703a
Insurance Code
(2 counts)
Complaint of A. J. O'Lein;
Julien G. Hathaway
Attorney for Plaintiff
Robert R. Weaver
Attorney for Defendant

Date

1944

PROCEEDINGS

- September 1 Complaint and copy filed. Warrant of Arrest issued and handed to the Sheriff's office for service. Bail set at \$500.00 cash.
- 2 Cash bail in the sum of \$500.00, Western Union Money Order, deposited. Defendant released. Western Union Money Order Message, filed. Message states money deposited with Western Union by Ethel Weber, Beverly Hills, California.
- Later: Defendant is in Court without counsel, in the custody of Deputy Sheriff, Ralph Gragg, and says his true name is O. F. Robertson. District Attorney, M. Arthur Waite, is in Court representing the People. The said defendant is duly arraigned, the Complaint is read to him and is informed of all his legal rights. (Rights explained by the Magistrate). Defendant takes time in which to plead and time to plead is by the Court set for September 7, 1944, at 2:00 p.m. Defendant is released on cash bail bond heretofore deposited herein.
- 7 Defendant is in Court with counsel, Robert R. Weaver, and says his true name is F. O. Robertson and the Complaint is amended to show his true name. Deputy District Attorney, Julien G. Hathaway, is in Court representing the People. Through his attorney, defendant waives time to plead and enters a plea of "not guilty," and asks for jury trial. Trial by jury, is by the Court set for September 26, 1944, at 10:00 a.m. Defendant is released on bond heretofore deposited herein.
- 18 On stipulation of counsel herein trial by Jury is hereby set aside and the case to be tried by Court on September 26, 1944, at 2:00 p.m.
- 26 Defendant is in Court with counsel, Robert R. Weaver, Deputy District Attorney, Julien G. Hathaway, is in Court representing the People. D. L. Hossack, is in Court duly appointed reporter. A. J. O'Lein, Mrs. Vendla O'Lein, each having been first duly sworn, are examined on the part of the People and are cross-examined by Mr. Weaver, in defendant's behalf. A certain postcard signed by A. J. O'Lein, is offered and admitted in evidence as People's exhibit 1; and a certain check, maker A. J. O'Lein to Fred Robertson, is offered and admitted in evidence as People's exhibit 2; and a certain receipt issued to Alvin J. O'Lein, is offered and received in evidence as People's exhibit 3; and a certain receipt issued to Vendla O'Lein, is offered and received in evidence as People's exhibit 4; and a certain application for membership of Alvin J. O'Lein, is offered and received in evidence as People's

exhibit 5; and a certain application for membership of Vendla O'Lein, is offered and received in evidence as People's exhibit 6. A. J. O'Lein, is recalled and examined on the part of the People and is again cross-examined by Mr. Weaver for defendant. Kenneth F. Boraker, having been first duly sworn, is examined on the part of the People. Mr. Weaver made no cross-examination of this witness. The People rest. The said defendant having been first fully advised by the Court, declined to testify in his own behalf. The Court finds defendant guilty on both counts and time to pronounce judgment is by the Court set for September 29, 1944, at 2:00 P.M.

September 29 Defendant is in Court with counsel, Robert R. Weaver. Deputy District Attorney, Julien G. Hathaway, is in Court representing the People. All parties are ready for pronouncement of judgment. *Wherefore*, it is by the Court ordered and adjudged that the said defendant, F. O. Robertson, shall pay a fine of \$200.00, being \$100.00 on each count as stated in the Complaint herein; it is further ordered that the cash bail be reduced to \$200.00 and \$300.00 ordered by the Court to be returned to Ethel Weber, 130 S. Westgate Avenue, (Brentwood) Los Angeles 24, California. Done in Open Court this 29th day of September, 1944.

(Signed) GLENN D. COREY

Justice of the Peace

Defendant files notice of Appeal, and files Statement on Appeal. Transcript of Docket issued.

The following papers are filed with the Clerk of the Superior Court:

Complaint
Warrant of Arrest
Western Union Money Order Message
Copy of Order for Release of Prisoner
Letter from Robert R. Weaver
Notice of Appeal
Transcript of Docket
Certificate
Statement on Appeal

together with exhibits as above listed.

Filed 10/2/44

L. E. Hallowell, Clerk

By (Signed) Delia Higgins

Deputy Clerk

CERTIFICATE

I hereby certify that the above and foregoing to be a true, full and correct transcript of the Docket as it appears on my records.

Dated this 29th day of September, 1944.

(Signed) GLENN D. COREY

Justice of the Peace

Ventura Township
County of Ventura
State of California

IN AND FOR THE COUNTY OF VENTURA
STATE OF CALIFORNIA

The People of the State of California,
Plaintiff,
vs.

F. O. Robertson, Defendant.

Case No. 27739.
Auditor's Receiving No. 31832-B
Trust Fund Deposit

TRUST FUND DEPOSIT

There has been deposited with me by the defendant Two Hundred and no/100 Dollars (\$200) as bail bond in the above entitled and numbered case, the same to be credited to the Trust Fund of the Clerk of the Court of said Ventura Township.

Dated this 3rd day
of September, 1944.

(Signed) L. E. Hollowell
By Delia Riggins

IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA
IN AND FOR THE COUNTY OF VENTURA

Saturday, November 4, 1944.

10:00 o'clock A.M.

Present: Hon. Louis C. Drapeau, Judge of the Superior Court Ventura County,
L. E. Hollowell, Clerk, L. H. Durley, Sheriff, and Durward Bunnell,
Court Reporter.

The People of the State of California, Plaintiff
vs.

F. O. Robertson, Defendant

27739

HEARING ON APPEAL FROM JUSTICE'S COURT

The above entitled action comes regularly on at this time for hearing of the appeal of the defendant from the judgment of conviction rendered in the Justice's Court of Ventura Township, County of Ventura, State of California.

The Deputy District Attorney, Julien G. Hathaway, and the defendant with his counsel, R. R. Weaver, are present in Court.

Deputy District Attorney, Julien G. Hathaway, makes his opening statement to the Court.

It is stipulated by and between counsel for appellant and respondent that the Reporter's Transcript of Proceedings and testimony had and taken in the Justice's Court of Ventura Judicial Township on Tuesday, September 26, 1944, at 2:00 o'clock P.M., be, and hereby is received in evidence on this appeal and that the testimony therein contained be received in this Court as testimony and deemed to have been taken in this Court for all purposes in this cause. It is so ordered by the Court.

It is further stipulated that said cause shall stand submitted upon the filing of briefs by respective counsel; that appellant shall have 15 days within which to file opening briefs, the proponent to have 15 days within which to file answering briefs, and the appellant to have 10 days within which to file closing briefs.

Attest: A true copy of the minutes.

L. E. Hollowell, County Clerk

By (Signed) R. O. Weigle, Deputy Clerk.

IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA
IN AND FOR THE COUNTY OF VENTURA

Friday, May 29, 1945.

4:00 o'clock P.M.

Present: Hon. Louis C. Drapeau, Judge of the Superior Court, Ventura County,
L. E. Hallowell, Clerk, and L. H. Durley, Sheriff.

The People, etc. }

27739 v.

F. O. Robertson }

The appeal of the defendant, F. O. Robertson, from the Judgment of Conviction rendered in the Justice's Court of Ventura Township, County of Ventura, State of California, in the above entitled action having been submitted, pursuant to stipulation of Deputy District Attorney Julien G. Hathaway, appearing for the People of the State of California, and R. R. Weaver, counsel for the defendant, on the Reporters Transcript of Proceedings and testimony had and taken in the Justice's Court of Ventura Township, County of Ventura, State of California, on Tuesday, the 26th day of September, 1944, at 2:00 o'clock P.M. and upon briefs filed by respective counsel, and the Court having duly considered the same and being fully advised, now

Orders that the judgment of Conviction rendered herein by the Justice's Court of Ventura Township, County of Ventura, State of California, be, and the same is hereby affirmed.

Attest: a true copy of the minutes.

L. E. Hallowell, County Clerk.

By (Signed) R. O. Weigle,

Deputy Clerk.

(Seal.)

Filed

May 29, 1945

L. E. Hallowell, Clerk,

By (Signed) Alice Gordon,

Deputy Clerk.

Filed 4/21/45

L. E. Hallowell, Clerk,

By (Signed) R. O. Weigle

Deputy Clerk

IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA
IN AND FOR THE COUNTY OF VENTURA.

The People of the State of California,
Plaintiff and Respondent, }

vs.

F. O. Robertson,
Defendant and Appellant. }

No. 27739.

MEMORANDUM OF OPINION
See Appendix G

IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA
IN AND FOR THE COUNTY OF VENTURA

Friday, May 29, 1945.

4:00 o'clock P.M.

Present: Hon. Louis C. Drapeau, Judge of the Superior Court, Ventura County,
L. E. Hallowell, Clerk, and L. H. Durley, Sheriff.

The People, etc. }

27739 v.

F. O. Robertson }

The appeal of the defendant, F. O. Robertson, from the Judgment of Conviction rendered in the Justice's Court of Ventura Township, County of Ventura, State of California, in the above entitled action having been submitted, pursuant to stipulation of Deputy District Attorney Julien G. Hathaway, appearing for the People of the State of California, and R. R. Weaver, counsel for the defendant, on the Reporter's Transcript of Proceedings and testimony had and taken in the Justice's Court of Ventura Township, County of Ventura, State of California, on Tuesday, the 26th day of September, 1944, at 2:00 o'clock P.M., and upon briefs filed by respective counsel, and the Court having duly considered the same and being fully advised, now

Orders that the Judgment of Conviction rendered herein by the Justice's Court of Ventura Township, County of Ventura, State of California, be, and the same is hereby affirmed.

Attest: a true copy of the minutes.

L. E. Hallowell, County Clerk,

By (Signed) R. O. Weigle,

Deputy Clerk.

Filed

May 29, 1945

L. E. Hallowell, Clerk

By (Signed) Alice Gordon
Deputy Clerk.

Filed May 31, 1945

L. E. Hallowell, Clerk

By (Signed) Alice Gordon

Deputy Clerk

IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA
IN AND FOR THE COUNTY OF VENTURA

The People of the State of California,
Plaintiff and Respondent,

vs.

F. O. Robertson,

Defendant and Appellant }

No. 27739

PETITION FOR ORDER ALLOWING APPEAL

To the Honorable Louis C. Drapeau, Judge of the Superior Court of the State of California in and for the County of Ventura; your petitioner respectfully shows:

I.

Petitioner is the appellant in the above entitled cause.

II.

That the above-named respondent, the People of the State of California, brought a misdemeanor action against the appellant for violation of Section 703(a) and Section 1642 of the Insurance Code of the State of California; that the said action was tried in the justice court of Ventura Township, County

of Ventura, State of California, on the 26th day of September, 1944; that the said appellant was found guilty of the said charge.

III.

An appeal from the said judgment was taken to the above entitled court, the Superior Court of the State of California, in and for the County of Ventura, and that the said judgment of the said justice court was affirmed by the said Superior Court on the 29th day of May, 1945.

IV.

In the said cause there is drawn in question the validity of a statute of the State of California on the ground of its being repugnant to the Constitution and laws of the United States, and the decision is in favor of its validity in that the said Sections 703(a) of the Insurance Code of the State of California as applied to the acts of the appellant herein are in violation of the Commerce Clause of the Constitution of the United States and to the Fourteenth Amendment thereto.

Wherefore, petitioner prays for the allowance of an appeal from said Superior Court of the State of California, to the Supreme Court of the United States, in order that the decision of the said Superior Court of the State of California may be examined or reversed, and also prays that a transcript of the record, proceedings and papers in this case, duly authenticated by the clerk of the said Superior Court of the State of California, may be sent to the Supreme Court of the United States, as provided by law; and petitioner prays that the court set the amount of any cost bond or deposit for costs herein.

Petitioner further prays that pending the disposition of this case by the said Supreme Court of the United States, he may be admitted to bail upon giving bond according to law in such sum as the Court may deem proper, the said bond to be approved as this Court may direct.

Dated this 23rd day of May, 1945.

(Signed) ROBERT R. WEAVER
Attorney for Petitioner

Service of the foregoing Petition for Order Allowing Appeal and the receipt of a copy thereof are hereby acknowledged this 29th day of May, 1945.

M. ARTHUR WAITE
By (Signed) DONALD D. ROFF
Attorneys for Plaintiff and Respondent.

Filed May 31, 1945
L. E. Hallowell, Clerk
By (Signed) Alice Gordon
Deputy Clerk

IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA
IN AND FOR THE COUNTY OF VENTURA

The People of the State of California, Plaintiff and Respondent, vs.	}	No. 27739
F. O. Robertson, Defendant and Appellant		

ASSIGNMENT OF ERRORS ON APPEAL

Comes now F. O. Robertson by Robert R. Weaver, his attorney, having filed with the above entitled Court his Petition for Appeal and the Court having granted the same and having filed a written Order allowing said Appeal, now makes and files herewith this, his Assignment of Errors, and says that in

the trial of the said case in the record, proceedings, rulings, and judgment aforesaid manifest error has intervened to his prejudice, namely:

I.

THE JUDGMENT IS CONTRARY TO THE LAW AND TO THE CONSTITUTION OF THE UNITED STATES OF AMERICA.

- a. The said Judgment has found the said F. O. Robertson guilty of an offense of failing to obtain a license to assist in a transaction in Interstate Commerce.
- b. The law under which the said judgment was rendered is contrary to the Constitution of the United States in that it imposes an undue burden on Interstate Commerce.
- c. The law under which the said Judgment was rendered is contrary to the law and the Constitution of the United States, in that it constitutes a prohibition against the Defendant engaging in Interstate transactions.
- d. The said Judgment is contrary to the law and evidence in that the defendant has been adjudged guilty of an offense for assisting a non-admitted insurer to complete an interstate transaction insuring the life of one who could not obtain life insurance from an admitted insurer and which even surplus line brokers could not write because the premium charge was less than that of an admitted insurer.

II.

THE JUDGEMENT IS CONTRARY TO THE EVIDENCE IN EACH PARTICULAR IN THAT IT IS CONTRARY TO THE LAW AND IN CONFLICT TO THE CONSTITUTION OF THE UNITED STATES OF AMERICA.

- a. The Judgment of the said Court is contrary to the evidence in that the said evidence shows that the laws of the State of California under which Appellant was prosecuted are in conflict with Art. 1, Section 8, para. 3, known as the commerce Clause of the Constitution of the United States, and the Fourteenth Amendment to the Constitution.

III.

THE SAID SUPERIOR COURT ERRED IN HOLDING THAT THE SAID SECTIONS OF THE CALIFORNIA INSURANCE CODE (703-a and 1642), AS APPLIED TO THE ACTS OF THE APPELLANT COMPLAINED OF HEREIN, WHERE NOT IN CONFLICT WITH THE LAWS OR CONSTITUTION OF THE UNITED STATES AND IN HOLDING IN FAVOR OF THEIR VALIDITY.

Wherefore, Appellant prays that the said judgment of the Superior Court of the State of California in and for the County of Ventura be reversed and that the said Court be ordered to enter judgment in favor of the Appellant.

Dated this 23 day of May, 1945.

(Signed) ROBERT R. WEAVER,
Attorney for Defendant and Appellant.

Service of the foregoing Assignment of Errors on Appeal and the receipt of a copy thereof are hereby acknowledged this 29th day of May, 1945.

M. ARTHUR WAITE,
By (Signed) DONALD D. ROFF
Attorneys for Plaintiff and Respondent.

Filed May 31, 1945
 L. E. Hallowell, Clerk
 By (Signed) Alice Gordon
 Deputy Clerk

IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA
 IN AND FOR THE COUNTY OF VENTURA

The People of the State of California,
 Plaintiff and Respondent

vs.

F. O. Robertson,
 Defendant and Appellant.

No. 27739.

INDEX TO JURISDICTIONAL STATEMENT

NOTE: We did not reproduce herewith the Jurisdictional Statement filed with the United States Supreme Court since this has already been sent you earlier in October.

Service of the foregoing Jurisdictional Statement and the receipt of a copy thereof are hereby acknowledged this 29th day of May, 1945.

(Signed) M. ARTHUR WAITE,

By DONALD D. ROFF

Attorneys for Plaintiff and Respondent.

IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA
 IN AND FOR THE COUNTY OF VENTURA

Filed

May 31, 1945

L. E. Hallowell, Clerk

By (Signed) Alice Gordon
 Deputy Clerk

The People of the State of California,
 Plaintiff and Respondent,

vs.

F. O. Robertson,
 Defendant and Appellant

No. 27739

ORDER ALLOWING APPEAL

The petition of the Defendant, F. O. Robertson, for an appeal in the above cause to the Supreme Court of the United States from the Superior Court of the State of California in and for the County of Ventura, and the Assignment Errors filed therewith and the record of said cause having been considered, it is

Ordered that an appeal be and is allowed to the Supreme Court of the United States from the Superior Court of the State of California, as prayed in said Petition, and that the clerk of the said Superior Court of the State of California shall prepare and certify a Transcript of the Record and proceedings in the above cause and transmit the same to the Supreme Court of the United States within 30 days from the date hereof.

The said Appellant is hereby admitted to bail upon giving cash bond in the sum of \$200.00, which said sum has been deposited by the said Appellant and the same is hereby approved by the Court.

Dated this 29th day of May, 1945.

(Signed) LOUIS C. DRAPEAU

*Judge of the above entitled
 Superior Court*

Service of the foregoing Order Allowing Appeal and the receipt of a copy thereof are hereby acknowledged this 29th day of May, 1945.

(Signed) M. ARTHUR WAITE

By DONALD D. ROFF

Attorneys for Plaintiff and Respondent.

Filed June 8, 1945
L. E. Hallowell, Clerk
By (Signed) Irene Van Fossen
Deputy Clerk

IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA
IN AND FOR THE COUNTY OF VENTURA

The People of the State of California, Plaintiff and Respondent, vs.	}	No. 27739
F. O. Robertson, Defendant and Appellant.		

CITATION
United States of America) ss

To the People of the State of California, Greetings.

You are hereby cited and admonished to be and appear at the Supreme Court of the United States at Washington, D. C., within thirty days of the date of the service of this citation, pursuant to the allowance of an appeal by the defendant F. O. ROBERTSON, from a judgment of the Superior Court of the State of California in and for the County of Ventura, to the Supreme Court of the United States in a suit wherein the said People of the State of California are plaintiff, and appellant, F. O. Robertson, is defendant, to show cause, if any there be, why the judgment rendered against the appellant should not be reversed or corrected.

Witness, the hand and seal of the Honorable Louis C. Drapeau, Judge of the Superior Court of the State of California, in and for the County of Ventura, this 29th day of May, 1945.

(Signed) LOUIS C. DRAPEAU,
Judge of the Superior Court

Service of the foregoing citation and the receipt of a copy thereof are hereby acknowledged this 29th day of May, 1945.

M. ARTHUR WAITE,
by (Signed) DONALD D. ROFF,
Attorneys for Plaintiff and Respondent.

Filed May 31, 1945
L. E. Hallowell, Clerk
By (Signed) Alice Gordon
Deputy Clerk

IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA
IN AND FOR THE COUNTY OF VENTURA

The People of the State of California, Plaintiff and Respondent, vs.	}	No. 27739
F. O. Robertson, Defendant and Appellant.		

STATEMENT DIRECTING ATTENTION TO THE PROVISIONS OF PARAGRAPH THREE
RULE TWELVE OF THE UNITED STATES SUPREME COURT RULES

To the People of the State of California and to M. Arthur Waite, their attorney:

In connection with the appeal in the above entitled matter, your attention is hereby directed to the provisions of paragraph three of Rule Twelve of the Rules of the United States Supreme Court.

Dated this 29th day of May, 1945.

(Signed) ROBERT R. WEAVER,
Attorney for Appellant

Service of the foregoing Statement Directing Attention to the Provisions of Paragraph Three of Rule Twelve of the Rules of the United States Supreme Court, and the receipt of a copy thereof are hereby acknowledged this 29th day of May, 1945.

(Signed) M. ARTHUR WAITE,
By DONALD D. ROFF,
Attorneys for Plaintiff and Respondent.

Filed May 31, 1945
L. E. Hallowell, Clerk
By (Signed) Alice Gordon
Deputy Clerk

IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA
IN AND FOR THE COUNTY OF VENTURA

To the People of the State of California
Plaintiff and Respondent,
vs.
F. O. Robertson,
Defendant and Appellant.

No. 27739

PRAECIPE FOR THE RECORD

To the Clerk:

Please prepare a transcript of the record in the above entitled cause in the matter of the Appeal therein to the Supreme Court of the United States and include in said transcript in the order given below, the following:

I.

Complaint (*The People of the State of California vs. F. O. Robertson*, No. 8133).

II.

Notice of Appeal, filed September 29, 1944.

III.

Statement on Appeal, filed September 29, 1944.

IV.

Reporter's Transcript of Proceedings in Justice's Court of Ventura Township, introduced in evidence herein

V.

The entire record transferred to the Superior Court from the said Justice's Court.

VI.

Minutes of the Superior Court.

VII.

Memorandum of Opinion, filed April 21, 1945.

VIII.

Judgment of the Superior Court.

IX.

Petition for Order Allowing Appeal.

X.

Assignment of Errors on Appeal.

- Jurisdictional Statement. XI.
 Order Allowing Appeal. XII.
 Citation. XIII.

XIV.
 Statement Directing Attention to the Provisions of Paragraph three, Rule twelve of the United States Supreme Court Rules.

XV.
 This Praecept for the Record.
 Dated this 29th day of May, 1945.
 (Signed) ROBERT R. WEAVER
Attorney for Appellant.

Service of the Foregoing Praecept for transcript of the record and the receipt of a copy thereof are hereby acknowledged this 29th day of May, 1945.
 (Signed) M. ARTHUR WAITE,
 By DONALD D. ROFF,
Attorneys for Plaintiff and Respondent.

IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA
 IN AND FOR THE COUNTY OF VENTURA

HON. LOUIS C. DRAPEAU, Judge

The People of the State of California, Plaintiff and Respondent, vs. F. O. Robertson, Defendant and Appellant.	}	No. 27739.
State of California, County of Ventura.	}	ss.

REPORTER'S CERTIFICATE

I, DURWARD BUNNELL, Official Reporter of the Superior Court of the State of California, in and for the County of Ventura, do hereby certify that the foregoing pages, numbered 1 to 110, both inclusive, comprise a full, true, and correct transcript on appeal in the above-entitled cause, including all stipulations of counsel, all evidence offered or received, all objections or exceptions of counsel, all rulings of the Court, and all matters to which the same relate, and all matters and documents required by the "Praecept for the Record" on file in said cause as set forth in this transcript at Pages 108, 109, and 110 hereof, to be contained herein.

Dated at Ventura, California, June 8, 1945.

DURWARD BUNNELL
*Official Reporter of the Superior Court of
 the State of California, in and for the
 County of Ventura.*

IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA
IN AND FOR THE COUNTY OF VENTURA

HON. LOUIS C. DRAPEAU, Judge

The People of the State of California	}	No. 27739.
Plaintiff and Respondent,		
vs.		
F. O. Robertson,	}	
Defendant and Appellant.		

State of California,	}	ss.
County of Ventura.		

I, LOUIS C. DRAPEAU, Judge of the Superior Court of the State of California, who presided at the trial of the above-entitled cause, do hereby certify that the foregoing Reporter's Transcript on Appeal by the defendant and appellant in said cause, comprising pages numbered 1 to 110, inclusive, is a true and correct Reporter's Transcript on Appeal, such objections and exceptions by counsel as were made thereto having been duly heard and considered; and the said Reporter's Transcript on Appeal is now settled, allowed, and made a part of the record in this cause.

Dated this 25th day of July, 1945.

(Signed) LOUIS C. DRAPEAU,
Judge of the Superior Court.

IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA
IN AND FOR THE COUNTY OF VENTURA

HON. LOUIS C. DRAPEAU, Judge

The People of the State of California,	}	No. 27739.
Plaintiff and Respondent,		
vs.		
F. O. Robertson,	}	
Defendant and Appellant.		

State of California,	}	ss.	CLERK'S CERTIFICATE
County of Ventura.			

I hereby certify that pursuant to Rule 8-a of the Rules on Appeal, upon the filing of the foregoing Reporter's Transcript on Appeal I mailed notice thereof to all parties.

No party has filed a request for connection within the ten days provided by law, and I therefore certify the foregoing transcript, pages 1 to 110 inclusive, consisting of one volume, in the above proceedings, to be true and correct, and it is allowed and made a part of the record in this cause.

Dated this 25th day of July, 1945.

(Seal)

(Signed) L. E. HALLOWELL, *Clerk.*

Filed June 21, 1945
 L. E. Hallowell, Clerk
 By Irene Van Fossen, Deputy Clerk.

IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA
 IN AND FOR THE COUNTY OF VENTURA

The People of the State of California, Plaintiff and Respondent, <i>vs.</i>	}	No. 27739.
F. O. Robertson, Defendant and Appellant.		

ORDER ENLARGING TIME

It is hereby ordered, good cause having been shown, that the time within which the above entitled cause may be docketed and the record thereof filed is hereby extended to and including the 30th day of July, 1945.
 Dated this 20th day of June, 1945.

(Endorsed)

WM. D. DEHY,
Judge of the above entitled court.

APPENDIX G (2)

SUPREME COURT OF THE UNITED STATES

October Term, 1945

No. 274

F. O. Robertson, Defendant and Appellant, <i>vs.</i>	}
The People of the State of California,	

APPEAL FROM THE SUPERIOR COURT OF THE STATE OF CALIFORNIA
 IN AND FOR THE COUNTY OF VENTURA

STATEMENT AS TO JURISDICTION

In compliance with Rule 12 of the Revised Rules of the Supreme Court of the United States, appellant submits herewith his statement showing the basis of the jurisdiction of the Supreme Court to entertain the appeal in this cause:

A

The jurisdiction of the Supreme Court to review by direct appeal the judgment herein complained of is conferred by the statute of January 31, 1928, C. 14, Sec. 1, 45 Stat. 54, 28 U.S.C.A., Sec. 344 and 861(a).

B

The statute of the State of California which it is claimed has drawn in question the provisions of the Constitution or laws of the United States is Section 703(a) of the Insurance Code of the State of California, which provides as follows:

"703. Except when performed by a surplus line broker, the following acts are misdemeanors when done in this State:

(a) Acting as agent for a nonadmitted insurer in the transaction of insurance business in this State,"

and Section 1642 of the Insurance Code of the State of California, which provides as follows:

"1642. A person shall not act as an insurance agent, broker, or solicitor until a license is obtained from the Commissioner, authorizing such person so to act."

The Sections of the Constitution which it is claimed the enforcement of the said Sections have violated are Art. 1, Section 8, para. 3, known as the Commerce Clause of the Constitution of the United States, and the Fourteenth Amendment to the Constitution.

C

The judgment complained of entered herein in the above entitled Superior Court of the State of California in and for the County of Ventura on the 29th day of May, 1945, and application for appeal is presented on the 29th day of May, 1945.

D

On or about the first day of September, 1944, a complaint was filed in the justice court of Ventura Township, County of Ventura, State of California, charging the defendant and appellant, F. O. Robertson, with a violation of Section 703(a) of the Insurance Code of the State of California in the first count, and Section 1642 of the said Code in the second count.

The case was tried on September 26, 1944. The defendant was found guilty on both counts, and by stipulation on September 29, 1944 was set for the date of pronouncement of judgment. Judgment was pronounced on said date and appeal was taken to the Superior Court of the State of California in and for the County of Ventura. The case was set for hearing in the said Superior Court in Ventura on the 4th day of November, 1944.

The question as to the conflict of the above-named Sections of the California Insurance Code as applied to defendant being contrary to the Constitution and Laws of the United States was first raised by argument at the close of the trial in the justice court.

After the pronouncement of judgment and upon the filing of a notice of appeal in the said justice court, the defendant, F. O. Robertson, also filed a Statement on Appeal, setting forth his grounds and points upon which he relied in the said appeal, stating that the evidence was insufficient to justify the judgment of the court for the reason that the act of the defendant was one of a series of transactions constituting interstate commerce. Copy of said Statement is hereto attached marked Supplement "A." The Reporter's Transcript of the proceedings in the justice court were introduced into evidence and by stipulation made the evidence in the Superior Court. Extensive briefs were filed setting forth the contention of the defendant that the acts complained of by the People constituted a transaction in interstate commerce, and that the said Sections as applied thereto were an undue burden on interstate commerce and in fact a prohibition thereof. On the 20th day of April, 1945, the Honorable Louis C. Drapeau, Judge of this, the said Superior Court, signed a Memorandum of Opinion in the said case upholding the conviction in the justice court, which opinion held in effect that although insurance business transacted across state lines was interstate commerce under the decision in *United States v. South-Eastern Underwriters Assn.*, 64 S. Ct. 1162, it was nevertheless subject to the regulations imposed by the above-mentioned Sections of the California Insurance Code, a copy of which Memorandum of Opinion, filed in the office of the clerk on April 21, 1945, is hereto attached, marked Supplement "B."

E

The Superior Court of the County of Ventura, State of California, has rendered a decision herein and it is the highest court in that state which could render such decision.

Cases in Which Appeal May Be Taken from Superior Court

Sec. 963, Calif. Code of Civil Procedure.

"An appeal may be taken from the Superior Court in the following cases:

"I. From a final judgment entered in an action of special proceeding commenced in the Superior Court or brought into the Superior Court from another court."

2 Cal. Jurs., p. 132, para. 16.

1 Cal. Jurs. Suppl., p. 284-5, para. 16.

"The bringing of an action into the Superior Court by appeal is not bringing it into the Superior Court within the meaning of Section 963, Cal. C. C. P. unless the Superior Court had original jurisdiction of the matter."

Unemployment Reserve Commission vs. Francis H. Assn., 137 P. (2d) 64.

"If the municipal Court had jurisdiction herein then the determination of the Appellate Department of the Superior Court is final and the case is not appealable (Calif. Constitution, Art. 6, Sec. 5). If a court had original jurisdiction it did not exercise it."

Art. 6, Sec. 4, Calif. Constitution.

"The Supreme Court shall have appellate jurisdiction on appeal from the Superior Court in all cases in equity, except such as arise in municipal or justice court; also in all cases at law which involve the title or possession of real estate or the legality of a tax imposed, assessment, toll, or municipal fine. Also in such probate matters, etc."

Art. 6, Sec. 4(b), Calif. Constitution.

"The District Court of Appeals shall have Appellate jurisdiction on appeals from the Superior Court (except in cases where appellate jurisdiction is given the Supreme Court), in all cases at law in which the Superior Courts are given original jurisdiction; also in all cases of forcible entry and detainer (except such as arise in a municipal or justice or other inferior courts) . . . also on questions of law alone in all criminal cases prosecuted by indictment or information except where the judgment of death has been rendered."

Edwards v. California, 314 U. S. 160.

"Appeal from a judgment of the Superior Court of California which affirmed the conviction of Edwards under a California statute declaring it to be a misdemeanor for any person to bring, or assist in bringing, into the State any non-resident of the State, knowing him to be in indigent person. The court below was the highest court to which an appeal could be taken under the laws of California. The case was argued here, and reargument was ordered at the 1940 Term, 313 U. S. 545."

Carlson v. California, 310 U. S. 106.

Involving city ordinance prohibiting picketing.

Sears v. Superior Court in and for Calaveras County, 24 Pac. (2d) 842-843.

"Where the right of appeal existed the writ of certiorari will not lie. In both the Roberts and the Hood cases, supra, the writs of certiorari were denied, notwithstanding the fact that judgments of the inferior court had been affirmed on appeal to the superior court from which last-mentioned court there was no appeal."

F

The grounds upon which appellant contends that the questions involved are substantial are as follows:

1. The business of insurance is commerce and when transacted across state lines, is interstate commerce.

United States v. South-Eastern Underwriters Assn., 64 S. Ct. 1162.

2. The Sections of the California Insurance Code cited forbid the defendant from assisting in such a transaction as that described in the Court's Memorandum of Opinion, attached hereto, unless the insurer be admitted to write business in the State of California.

3. This is not only a requirement that the consent of the State must first be obtained before appellant or anyone could assist an insurer to complete an interstate transaction within the State of California, but in view of Section 10818 of the same Code, are an absolute prohibition against the defendant assisting in any transaction for the insurer involved herein or any similar insurer under any circumstances. The said Section reads as follows:

"10818. On and after January 1, 1940, no new insurer may be organized or admitted to operate under this chapter. Nothing herein contained shall prohibit and insurer theretofore existing under or by virtue of this chapter from transforming to an insurer operating under the provisions of Chapter 9a of this part nor shall anything herein contained prohibit an association now operating under Chapter 8 of this part from transforming to an insurer operating under this chapter at times and in the manner provided in Chapter 8. Any corporation formed pursuant to section 10815, which, prior to January 1, 1940, exhibits proof satisfactory to the commissioner that it has procured one hundred subscribers or applicants who have each paid the required initial premium, and which also deposits with the commissioner on or before January 1, 1940, the sum of \$1,000 as a payment on its statutory deposit, may be admitted on completion of its organization and statutory deposit on or before July 1, 1940."

4. An important and serious question is involved in this transaction. The Reporter's Transcript shows that the Witness O'Lein had had trouble on account of his age in obtaining any insurance at all in the State of California (R. T., P. 13, L. 18-21), and that he had heard about the insurer over the radio and seen literature about it as follows (R. T., P. 13, L. 23-24):

"Q. Mr. O'Lein, did you say you have had some trouble in getting insurance? A. At my age a fellow usually does.

"Q. And that is the reason that you applied to this particular company for a policy? A. That is the reason I became interested in that policy. I think I had heard something about that policy over the radio and seen literature, and it was just handy."

Having received an inquiry card, he mailed it to the insurer involved, in the State of Arizona, the same card being returned by the said insurer to the appellant herein. The Appellant called upon the inquirer, and an application was signed and forwarded direct to the insurer, and the transaction completed approximately as set out in the Court's Memorandum of Opinion attached hereto.

Although the Witness O'Lein had had difficulty in obtaining insurance in the State of California and was desirous of obtaining it, and although he had heard of the company which issued the policy in question to him by radio and had seen its literature and had inquired of the company in regard to its policies, he was prohibited by the above California law from obtaining such insurance for the reason that the law under which the Appellant was prosecuted and convicted — Sections 703(a) and Section 1642 of the California Insurance Code — prohibits a member of a foreign insurer or any person in the State of California from assisting in any such interstate transaction except in the case of a surplus line broker, which broker, under Chapter Six, Sections 1760 to 1779 of the said insurance code, must obtain a license, must pay a discriminatory three per cent tax, must not write the business in a nonadmitted insurer, unless there is no admitted insurer in which the risk can be written; or he must not write it for a less premium than it would be written by any company admitted to do business in the State of California. Furthermore the company with whom this risk was placed could not, under the law, be admitted in the State of California, Section 10818, California Insurance Code, *supra*. The California law is not merely one regulating the character and responsibility of an agent but absolutely prohibits such an agent from writing or assisting the company with which this risk was placed from doing business, either interstate or intrastate in the State of California.

Certainly a law which prohibits interstate commerce at least places a burden upon it.

It has been the contention of the State in this matter and the holding of the Court in the Memorandum of Opinion, Supplement "B" attached hereto, that the decision of the Supreme Court in *United States v. South-Eastern Underwriters Association*, 64 S. Ct. 1162, does not in any manner affect state regulation of insurance companies, but that under that case, the business of insurance is held to be commerce when transacted across state lines only when a Federal law is being interpreted, and that the same business is not commerce and hence not interstate

commerce when a state law is being construed. The said decision by the United States Supreme Court, however, does not distinguish between two different laws applied to a business but between two different phases of the said business which may be interstate in one phase and intrastate in another. The trial court has quoted the said decision on page 1089 of the said report in part as follows:

“ . . . To uphold insurance laws, of other states, including tax laws, *Paul v. Virginia*'s generalization and reasoning have been consistently adhered to.”

It is not the contention of Appellant that the State would have no right to regulate insurance business. We agree that the decisions in a limited number of cases hold that, where the regulation is purely local in its application, the states may regulate interstate commerce.

Kelly v. Washington, 302 U. S. 1, 58 S. Ct. 87, 82 L. Ed. 3;
Parker v. Brown, 317 U. S. 341, 63 S. Ct. 307, 87 L. Ed. 315;
California v. Thompson, 313 U. S. 109, 61 S. Ct. 930, 85 L. Ed. 1219.

These decisions, however, have been applied in cases where the state law affects only commerce coming into the regulating state or require acts to be done within the regulating state, and which do not have an extraterritorial effect. The law under which Appellant was prosecuted, which prohibits him from assisting a non-admitted insurer in transacting business with a California resident, coupled with the requirements for such admission reach out across the state lines and regulate the insurer in the state of its organization and in every state in which it transacts business.

The decision, generalization and reasoning of the old case of *Paul v. Virginia*, 8 Wall. 168, referred to in *United States v. South-Eastern Underwriters Association*, supra, has not only been consistently, but universally, followed in order to uphold the broad structure of state regulation in its entirety, and unless this old case is to remain the law of the land to its fullest import, then state regulation must now be re-examined. Since that which is being regulated is now interstate commerce, it is limited by the provisions of the United States Constitution, the Commerce Clause, the Equality clause and the Fourteenth Amendment thereto. The law of the State of California has prohibited Appellant from assisting in a transaction constituting interstate commerce between a company, of which he was a member, and a resident of California seeking insurance outside of the State, having failed to obtain it therein. The conditions under which Appellant could complete an interstate transaction for the company he represented are that it conform its corporate structure in the state of its existence, and its entire method of doing business in every state in which it transacts business to the regulatory provisions of the State of California. Such requirement is in conflict with the above provisions of the United States Constitution and within the jurisdiction of this Court.

Western Union Telegraph Co. v. Kans., 216 U. S. 1 (27);
Fidelity & Deposit Co. of Maryland v. Tafoya, 270 U. S. 246;
Hegman v. Southern Railroad, 203 U. S. 271, 51 L. Ed. 178, 27 S. Ct. 104;
Detweiler et al. v. Welch, Commissioner of Agriculture, State of Idaho,
 46 Fed. (2d) 75, 73 A.L.R. 1440;
Sonneborn Bros. v. Cureton, Tex. 43 S. Ct. 643, 262 U. S. 506, 67 L. Ed.
 1095;
Crenshaw v. Arkansas, 227 U. S. 389;
Alpha Portland Cement Co. v. Commonwealth of Mass., 268 U. S. 203;
Hall v. Geiger Jones Company, 242 U. S. 539;
Hatch v. Reardon, 204 U. S. 152;
Angle v. O'Mally, 219 U. S. 128;
Buck v. Kuykendall, Director of Public Works of the State of Washington,
 267 U. S. 307, 45 S. Ct. 324, 69 L. Ed. 623, 38 A.L.R. 286

We believe it is unnecessary to further cite the multitude of cases decided by the Supreme Court of the United States which hold unconstitutional state statutes requiring that a license must be obtained for the purpose of engaging in interstate

It is therefore respectfully submitted that the Supreme Court of the United States has jurisdiction of this appeal and that the same should be reviewed by the said Court and decision rendered therein.

ALLEN K. PERRY,
ROBERT R. WEAVER,
Attorneys for Appellant.

Robert R. Weaver, 448 South Hill Street, Los Angeles (13), California, Attorney
for Defendant.

No. 8133

The People of the State of California, Plaintiff, }
vs. }
 F. O. Robertson, Defendant }

To the Honorable Glen D. Corey, Justice of the above entitled Court and to Arthur M. Waite, Esq., District Attorney of Ventura County, State of California:

Whereas, the defendant, F. O. Robertson, having on the 29th day of September, 1944, duly taken an appeal from the judgment therein entered in the said above named Justice's Court of Ventura Township for the County of Ventura, State of California on the said 29th day of September, 1944.

You and each of you are hereby notified that said defendant, F. O. Robertson, in the above entitled cause now presents this, his statement of grounds of appeal and points upon which he relies upon appeal from the above entitled court to the Superior Court of the State of California in and for the County of Ventura, as follows:

I

That the evidence taken and heard by the court in said cause is insufficient to justify the judgment in that it discloses that all of the actions of the defendant consisted of a series of events constituting transactions in interstate commerce and, therefore, were not subject to prosecution under the laws of the State of California.

II

That the judgment is contrary to law.

III

That the judgment is contrary to evidence.

IV

That the judgment is contrary to the law and the evidence.

V

That the court erred in its decision of matters of questions of law arising during the course of the trial.

VI

That the complaint on which this action is predicated fails to state a public offense in that it appears on the face thereof that the acts of the defendant complained of were, if true, done by him in accordance with the provisions of the

Fourteenth Amendment to the Constitution of the United States and the laws of the United States pertaining to the transactions of interstate commerce.

VII

That the court was without jurisdiction to entertain this proceeding for the reason that it appears on the face of the complaint that the acts of the defendant complained of were those pertaining to transactions in interstate commerce.

VIII

That Sections 703(a) and 1642 of the Insurance Code of the State of California are unconstitutional and in violation of and contrary to the commerce clause of the constitution of the United States and the Fourteenth Amendment thereof.

Wherefore, Defendant prays that the court allow and settle the above as and for his statement on appeal.

ROBERT R. WEAVER,
Attorney for Defendant.

APPENDIX H

79th CONGRESS, 1st SESSION
S. 10

IN THE SENATE OF THE UNITED STATES

January 6, 1945

Mr. O'Mahoney introduced the following bill; which was read twice and referred to the Committee on the Judiciary

A BILL

PROVIDING FOR THE ISSUANCE OF CERTIFICATES OF STATUTORY COMPLIANCE WITH CERTAIN NATIONAL STANDARDS TO CERTAIN CORPORATIONS AND TRADE ASSOCIATIONS ENGAGED IN OR AFFECTING COMMERCE.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

FEDERAL INCORPORATION ACT

Sec. 1. This Act may be cited as the Federal Charter Compliance Act of 1945.

Sec. 2. DEFINITIONS. — As used in this Act (a) "person" means any individual, partnership, association corporation, business trust, legal representative, or group of persons.

(b) "Commerce" means commerce, trade, traffic, transportation, or communication with foreign nations or among the several States or from any State to any place outside thereof or in the District of Columbia.

(c) "Affecting commerce" means in commerce or burdening or obstructing commerce or the free flow of commerce.

(d) "State" means any State of the United States, or the District of Columbia, or any Territory or possession of the United States.

(e) "Corporation" shall include any body corporate, business trust, joint-stock company, limited partnership, or syndicate, and shall include related corporations.

(f) A corporation shall be deemed to be engaged in commerce if the corporation itself or any related corporation is engaged in commerce.

(g) "Trade association" shall mean any association, incorporated or unincorporated, any of the members of which engage in commerce, which gathers information from its members concerning trade practices or concerning the individual business of its members or which advises its members as to trade practices, or the future conduct of business.

(h) A "related corporation" is a corporation which is a subsidiary or affiliate of, or which directly or indirectly controls, or is controlled by, or is under direct or indirect common control with, another corporation. Two corporations shall be

deemed to be related if _____ per centum of the stock of either such corporation is owned by the other or by any related corporation.

(i) The "charter" of a corporation or trade association shall mean the charter, articles of incorporation, certificate of incorporation, constitution, agreement, or other document or documents setting forth the basic structure of the corporation or association and the fundamental rules under which it operates.

(j) "Commission" shall mean the _____ Commission.

Sec. 3. CERTIFICATE OF STATUTORY COMPLIANCE. — (a) On and after one year from the date of approval of this Act, every corporation engaged in commerce and every trade association engaged in commerce or which represents or is composed of any persons the cessation of whose work would affect commerce shall obtain from the Commission a certificate of statutory compliance.

(b) An applicant for a certificate of statutory compliance shall file with the Commission a certified copy of its charter. If the charter conforms to the requirements prescribed in section 4 or 5 of this Act, the Commission shall issue a certificate of statutory compliance.

(c) A certificate of statutory compliance shall be given if the charter filed with the Commission complies with the requirements of this statute. Any applicant to whom a certificate of statutory compliance is denied may, within sixty days after such denial, file a petition to compel the Commission to issue it a certificate of statutory compliance in any district court of the United States in which the applicant has an office, does business, or in which any of the members of a labor organization are employed, or in the District Court of the United States for the District of Columbia, and if the district court determines that the applicant's charter complies with the provisions of this Act, it shall order the Commission to issue a certificate of statutory compliance. Proceedings filed pursuant to this paragraph shall be summary in form. The charter filed by the applicant shall in each instance be attached to the petition. Such proceedings shall be set for hearing at the earliest possible time. Appeals from the decision of the district court may be taken as in ordinary civil actions.

Sec. 4. The Commission shall issue a certificate of compliance to any corporation, the articles of incorporation or association of which, in addition to conforming to the requirements of the state of incorporation, shall conform to the following requirements:

(a) Prohibits that corporation from having as a director any person who is (1) director of, employed by, or has any financial interest in any competing corporation; or (2) a director of, employed by, or has any financial interest in any corporation which has business with such corporation.

(b) Provides that each director of such corporation shall have an actual and bona fide financial interest in such corporation.

(c) Provides that such corporation shall reasonably compensate its directors and provides a procedure by means of which the directors shall be at frequent intervals fully informed as to the operations of the corporation; and provide for the meeting of such directors not less frequently than once each month. There shall be kept full and complete transcripts of all meetings of the board of directors or any committee thereof.

(d) Provides that complete disclosure in a written report mailed to each stockholder of record shall be made of all transactions between any director and the corporation during the year preceding, and any dealings by the directors in the stock or other securities of such corporation.

(e) Provides that a copy of any general plan or program with any foreign corporation or foreign national, directly or indirectly, and with any corporation or person controlled by any foreign corporation or national, to effect the exchange or transfer of property, franchises, or other rights, including patents or licenses, whether through purchase, assignment, lease, or sale or otherwise, shall be filed with the Department of Justice of the United States and shall be completely disclosed to each stockholder of record prior to the time that such general plan or program shall become legally effective.

(f) Provides that a copy of every contract, agreement, or arrangement, and any purchase, assignment, lease, or sale of property, franchises, or other rights, includ-

ing patents and licenses, with, to, or from any foreign corporation or foreign national, directly or indirectly, or with, to, or from any corporation or persons controlled by a foreign corporation or foreign national, shall be filed with the Department of Justice of the United States within thirty days after such contract, agreement, arrangement, purchase, assignment, lease, or sale has been entered into or made.

(g) Provides that the directors of such corporations shall be deemed to be trustees for the stockholders, and required to exercise the degree of care employed by a trustee in the administration of a business with which he is familiar.

(h) Provides that any directors of such corporation shall be individually and civilly liable to the corporation for any damage caused to the corporate estate through the violation by the corporation of any Federal law, where any act constituting such violation was authorized, ordered, or done by any such director.

(i) Prohibits the reimbursement by the corporation to any director or officer of any expense sustained by him or incurred in his behalf as a result of his violation of any Federal law.

(j) Provides that any director who fails to attend meetings of the board of directors over a six-month period forfeits his directorship.

(k) Provides that each share of stock shall give the holder thereof the right to cast one vote in all matters which are determined by vote of the stockholders.

(l) Provides that any proposal which is approved by the board of directors and which alters the existing rights of any stockholder or security holder shall be fully disclosed to the stockholders within a reasonable time before their consent to such proposal is sought.

(m) Provides for full disclosure to the stockholders of any voluntary payments made by the corporation.

(n) Provides that any amendment of the charter which alters the existing rights of any stockholders or security holders shall be submitted to, and shall not become effective until approved by, such class of stockholders or security holders for a vote by such class voting as a class.

(o) Provides that such corporation shall not directly or indirectly in the future purchase shares of stock or other interests in any corporation or company principally engaged in a business other than the principal business of such corporation.

Sec. 5. The Commission shall issue a certificate of statutory compliance to any trade association, the charter of which conforms to the following requirements:

The association shall file with the Commission a semi-annual report (a) stating the services performed by such association and the type of data collected or disseminated by such association; (b) listing the publications of such association and designating the subject matter and date of all letters or other documents published by the association to its membership, and the officers, directors, employees, and members of such association; and (c) including full minutes of all meetings of the officers, directors, or members of such association. Affidavits required by the responsible officers of the association shall accompany such report and shall state that there has been disclosure of all relevant acts and services of the association.

Sec. 6. PENALTIES. — (a) Any corporation or trade association engaging in commerce without having received from the Commission a certificate of statutory compliance shall be liable for civil penalties in the following amounts:

(1) \$25 for each of the first thirty days upon which the corporation or trade association so engages in commerce.

(2) An amount equal to 1 per centum of the book value of the capital stock of the corporation or of the assets of the trade association for each month after the first thirty days during any part of which the corporation so engages in commerce.

(b) Such penalties shall be recoverable in a civil action brought in the name of the United States in a United States district court in any district in which the corporation or trade association has an office or engages in business. Suits for penalties on behalf of the United States shall be prosecuted by the United States district attorneys or by the Attorney General. The corporation or trade association shall have the right to recover penalties it has paid or owes the United States from any officer, director, or other person responsible for its violation of this Act. Such officers, directors, or other persons shall also be liable for such penalties jointly with

the corporation or trade association and the United States may join as defendants such officers, directors, or other persons, in any action brought against the corporation or trade association.

(d) The United States, through the United States district attorneys or the Attorney General, may bring suit to enjoin or restrain any violations of this Act and to restore the condition of any corporation or trade association, as nearly as possible to that which would have existed if this Act had not been violated. The United States may also, acting through the Attorney General, bring action to revoke the certificate of statutory compliance of any corporation or trade association, which has willfully, knowingly, or repeatedly violated the provisions of section 4 or 5, of this Act, or the charter provisions required by this Act, or which has amended its charter so that a certificate of statutory compliance would not now be granted. Any person who discriminates against or willfully injures any other person because he has brought or might bring an action authorized under this Act shall be subject to a fine of not more than \$10,000 or to imprisonment for not more than one year, or both such fine and imprisonment.

Sec. 7. JURISDICTION OF COURTS. — The district courts of the United States shall have jurisdiction to entertain all actions and proceedings authorized under this Act.

Sec. 8. If any provision of this Act, or the application thereof to any person or circumstances, is held invalid, the remainder of the Act, and the application of such provision to other persons and circumstances, shall not be affected thereby.

Sec. 9. The right to alter, amend, or repeal this Act, or any part thereof, is hereby expressly reserved.

STATISTICAL TABLES.

TABLE 1.—*Fire and Marine Insurance Companies Authorized to Transact Business in Massachusetts on Dec. 31, 1945*

NAME OF COMPANY		Principal Office	Incorporated	Commenced Business	Admitted to Mass.	President	Secretary
<i>Massachusetts Mutual Companies Other than Manufacturers</i>							
Abington Mutual Fire Insurance Co.	.	Abington, Mass.	1856	1857	1857	John R. Wheatley	William A. Robbins
Allied American Mutual Fire Insurance Co.	.	Boston, Mass.	1920	1920	1920	Charles E. Hodges	H. C. Kneppenbergh, Jr.
Associated Merchants Mutual Insurance Co.	.	Boston, Mass.	1919	1922	1921	Wesley E. Lindsey	C. M. Tice
Atholborough Mutual Fire Insurance Co.	.	Atholboro, Mass.	1844	1845	1845	Victor R. Glencross	R. Burton Forbes
Barnstable County Mutual Fire Insurance Co.	.	Yarmouthport, Mass.	1833	1833	1833	Warren G. Smith	Joshua E. Howes
Berkshire Mutual Fire Insurance Co.	.	Pittsfield, Mass.	1939	1939	1939	Karl E. Greene	Charles W. Gallup
Cambridge Mutual Fire Insurance Co.	.	Andover, Mass.	1833	1834	1834	Burton S. Flagg	Edward C. Nichols
Dorchester Mutual Fire Insurance Co.	.	Boston, Mass.	1855	1855	1855	Frederick W. Hill	John N. Tulley
Federal Mutual Fire Insurance Co.	.	Boston, Mass.	1907	1907	1907	James S. Kemper	M. P. Luthy
Fitchburg Mutual Fire Insurance Co.	.	Fitchburg, Mass.	1847	1847	1847	Wilbur W. Henry	W. Bruce Adams
Groveland Mutual Fire Insurance Co.	.	Groveland, Mass.	1828	1828	1828	Charles H. Pike	John A. Marshall
Hingham Mutual Fire Insurance Co.	.	Hingham, Mass.	1826	1826	1826	Ira G. Hershey	Alan F. Hersey
Holyoke Mutual Fire Insurance Co.	.	Salem, Mass.	1843	1843	1843	John W. Robinson	Harry F. Marden
Lowell Mutual Fire Insurance Co.	.	Lowell, Mass.	1832	1832	1832	Hazen H. Ayer	H. M. Goodwin
Lumber Mutual Fire Insurance Co. of Boston, Massachusetts; The	.	Boston, Mass.	1895	1895	1895	Elmer R. Howard	Charles E. Hogan
Lynn Mutual Fire Insurance Co.	.	Concord, Mass.	1828	1828	1828	Burton S. Flagg	Clifford A. Peterson
Merchants and Farmers Mutual Fire Insurance Co.	.	Worcester, Mass.	1846	1847	1847	Elmer R. Howard	Edward C. Nichols
Merrimack Mutual Fire Insurance Co.	.	Andover, Mass.	1828	1828	1828	Elmer R. Howard	Charles E. Hogan
Middlesex Mutual Fire Insurance Co.	.	Concord, Mass.	1826	1826	1826	Elmer R. Howard	Windsor Sturtevant
Mutual Fire Assurance Co. of Springfield	.	Springfield, Mass.	1827	1827	1827	Charles C. McElwain	Mary M. Jacoby
Newburyport Mutual Fire Insurance Co.	.	Newburyport, Mass.	1829	1829	1829	Warren S. Currier	Ralph H. Westgate
Norfolk and Dedham Mutual Fire Insurance Co.	.	Dedham, Mass.	1937	1937	1937	Harold A. Knapp	Onne Abramson
Pioneer Mutual Insurance Co.	.	Boston, Mass.	1934	1935	1935	Harry F. Abramson	Harvey MacArthur
Quincy Mutual Fire Insurance Co.	.	Quincy, Mass.	1851	1851	1851	James F. Young	Perley B. Rawding
Salem Mutual Fire Insurance Co.	.	Salem, Mass.	1838	1838	1838	William Chisholm	J. Carlton Burbank
Traders and Mechanics Insurance Co.	.	Lowell, Mass.	1848	1848	1848	Harold K. Bartlett	Lewis O. Barrows
United Mutual Fire Insurance Co.	.	Boston, Mass.	1908	1908	1908	S. Bruce Black	Charles F. Brown
West Newbury Mutual Fire Insurance Co.	.	West Newbury, Mass.	1828	1828	1828	Robert S. Brown	Minott M. Rowe
Worcester Mutual Fire Insurance Co., The	.	Worcester, Mass.	1823	1824	1824	Harry Harrison	

Mutuals of Other States Other than Manufacturers'

Atlantic Mutual Insurance Co.	New York, N. Y.	1842	1842	1864	William D. Winter	Walter J. Thompson
Automobile Mutual Insurance Co. of America	Providence, R. I.	1907	1907	1922	DeFonseca, R. Abel	John W. Blair
Central Manufacturers' Mutual Insurance Co., The	Van Wert, Ohio	1876	1876	1901	L. C. Purmort	Paul W. Purmort
Employers Mutual Fire Insurance Co.	Wausau, Wis.	1935	1935	1942	E. J. Hagg	C. H. Brimmer
Grain Dealers National Mutual Fire Insurance Co.	Indianapolis, Ind.	1902	1902	1913	C. R. McCotter	O. M. E. Rimmer
Hardware Dealers' Mutual Fire Insurance Co.	Stevens Point, Wis.	1904	1904	1918	Carl N. Jacobs	Joseph B. Beach
Hardware Lumbermen Mutual Insurance Co. of Minnesota	Minneapolis, Minn.	1899	1900	1918	H. R. Caley	D. F. Rahlfe
Indiana Lumbermen Mutual Insurance Co.	Indianapolis, Ind.	1897	1897	1908	G. E. Beall	G. E. Beall
Lumbermen Mutual Insurance Co. of Mansfield, Ohio, The	Mansfield, Ohio	1895	1895	1904	Charles H. Keating	Dale G. Roth
Manufacturers and Merchants Mutual Insurance Co. of New Hampshire	Concord, N. H.	1885	1885	1917	Charles L. Jackman	Carl G. Gesen
Merchants & Business Men's Mutual Fire Insurance Co.	Harrisburg, Pa.	1921	1886	1940	S. W. Dodson	E. J. Ingham
Michigan Millers Mutual Fire Insurance Co.	Lansing, Mich.	1881	1881	1910	L. B. Baker	L. B. Tobey
Millers Mutual Fire Insurance Association of Illinois	Alton, Ill.	1877	1877	1916	George S. Milnor	B. C. Vine
Millers Mutual Fire Insurance Co., The	Harrisburg, Pa.	1890	1890	1924	H. V. White	W. S. Williams
Millers Mutual Fire Insurance Co. of Texas, The	Fort Worth, Texas	1898	1898	1913	Ed. K. Collett	J. B. Knight
Millers National Insurance Co.	Chicago, Ill.	1865	1869	1907	W. S. Whitford	Arthur A. Krueger
Mill Owners Mutual Fire Insurance Co.	Des Moines, Iowa	1875	1875	1916	H. B. Carson	L. K. Sharp
Mutual Fire Insurance Co. of Saco, Maine	Saco, Maine	1825	1827	1925	L. G. Purmort	Harold E. Rodgers
Mutual Implement and Hardware Insurance Co.	Owatonna, Minn.	1904	1904	1918	James S. Kemper	F. Keen Young
National Retailers Mutual Insurance Co.	Chicago, Ill.	1922	1914	1923	John A. Buxton	Chase M. Smith
Northwestern Mutual Fire Association	Seattle, Wash.	1901	1901	1921	L. D. Brill	R. K. Yates
Ohio Mutual Insurance Co.	Salem, Ohio	1876	1877	1916	D. B. McCune	O. Jacobsen
Pawtucket Mutual Fire Insurance Co., The	Pawtucket, R. I.	1848	1849	1901	Chester A. Moffett	Earle R. Horton
Pennsylvania Lumbermen Mutual Fire Insurance Co.	Philadelphia, Pa.	1895	1895	1908	Herman J. Pelstring	Archibald Kellock
Pennsylvania Millers Mutual Fire Insurance Co.	Wilkes-Barre, Pa.	1887	1887	1913	John Hoffa	Ira J. Milligan
Phenix Mutual Fire Insurance Co. of Concord, New Hampshire	Concord, N. H.	1886	1913	1921	Charles L. Jackman	Walter Williamson
Providence Mutual Fire Insurance Co., The	Providence, R. I.	1800	1800	1898	Benj. M. MacDougall	Francis S. Goff, Jr.
Union Mutual Fire Insurance Co.	Providence, R. I.	1863	1863	1902	Fredrick T. Moses	Clarence H. Cady
Utica Fire Insurance Co. of Oneida County, N. Y.	Utica, N. Y.	1903	1903	1930	T. Harvey Ferris	Harriet A. Ackroyd
Vermont Mutual Fire Insurance Co.	Montpelier, Vt.	1828	1828	1927	Lee O. Tracy	Debert W. Gross

Massachusetts Manufacturers' Mutuals

Arkwright Mutual Fire Insurance Co.	Boston, Mass.	1860	1860	1860	Edward A. Barrier	Howard F. Alden
Boston Manufacturers Mutual Fire Insurance Co.	Boston, Mass.	1850	1850	1850	Marshall B. Dalton	O. F. Hauck
Cotton and Woolen Manufacturers' Mutual Insurance Co. of New England	Boston, Mass.	1875	1875	1875	Edward H. Williams	C. Henry Clough
Fall River Manufacturers' Mutual Insurance Co.	Fall River, Mass.	1870	1870	1870	Marshall B. Dalton	H. Nelson G. Terry
Worcester Manufacturers' Mutual Insurance Co.	Boston, Mass.	1855	1855	1855	Marshall B. Dalton	Walter A. Harrington

Manufacturers' Mutuals of Other States

Blackstone Mutual Fire Insurance Co.	Providence, R. I.	1868	1868	1900	Charles E. Rigby	Harold C. Breckenridge
Firemen's Mutual Insurance Co.	Providence, R. I.	1854	1854	1900	Fredrick T. Moses	Carl A. Moses
Manufacturers' Mutual Fire Insurance Co.	Providence, R. I.	1835	1835	1901	Hovey T. Freeman	Raymond H. Lord
Philadelphia Manufacturers Mutual Fire Insurance Co.	Philadelphia, Pa.	1880	1880	1901	Harold G. Griffin	George C. Hopson
Protection Mutual Fire Insurance Co.	Chicago, Ill.	1887	1887	1917	John L. Wilds	Herbert J. Jann
What Cheer Mutual Fire Insurance Co.	Providence, R. I.	1873	1874	1900	Ernest Kerr	Royal G. Luther

*Assistant Secretary.

†Died 1/29/46.

TABLE 1.—*Fire and Marine Insurance Companies Authorized to Transact Business, etc.*—Continued

NAME OF COMPANY	Principal Office	Incorporated	Commenced Business	Admitted to Mass.	President	Secretary
<i>Massachusetts Stock Companies</i>						
Boston Insurance Co.	Boston, Mass.	1873	1874	1874	Donald C. Bowersock	Ernest L. Woodside
Employers' Fire Insurance Co., The	Boston, Mass.	1921	1921	1921	Edward C. Stone	Franklin P. Horton
Massachusetts Fire and Marine Insurance Co.	Boston, Mass.	1910	1910	1910	William H. Koop	Joseph G. Niederlitz
New England Fire Insurance Co.	Springfield, Mass.	1919	1920	1920	W. B. Crutenden	Charles C. Wright
Old Colony Insurance Co.	Boston, Mass.	1906	1906	1906	Donald C. Bowersock	Ernest L. Woodside
Sentinel Fire Insurance Co.	Springfield, Mass.	1924	1925	1925	Walter B. Crutenden	Charles C. Wright
Springfield Fire and Marine Insurance Co.	Springfield, Mass.	1849	1851	1851	Walter B. Crutenden	Charles C. Wright
<i>Stock Companies of Other States</i>						
Actua Insurance Co.	Hartford, Conn.	1819	1819	1856	W. Ross McCain	Frank G. Bush
Agricultural Insurance Co.	Watertown, N. Y.	1863	1855	1889	H. W. Tomlinson	W. A. Seaver
Albany Insurance Co.	New York, N. Y.	1811	1811	1878	Ronald R. Martin	Frank J. Barry
Allemania Fire Insurance Co. of Pittsburgh, The	Pittsburgh, Pa.	1868	1868	1908	G. W. Unverzagt	W. A. Forrest, Jr.
Alliance Insurance Co. of Philadelphia, The	Philadelphia, Pa.	1904	1905	1905	John A. Diemand	J. Kenton Eisenbrey
Allied Fire Insurance Co. of Utica	Utica, N. Y.	1923	1923	1924	D. De W. Smyth	John L. Train
American Insurance Co., The	Newark, N. J.	1846	1846	1874	Paul B. Sommers	Leo E. Kietzman
American Alliance Insurance Co.	New York, N. Y.	1897	1897	1897	William H. Koop	Daniel R. Ackerman
American Automobile Fire Insurance Co.	St. Louis, Mo.	1927	1928	1928	O. L. Schleyer	Garland Brown
American Aviation & General Insurance Co.	Reading, Pa.	1944	1944	1945	H. G. Evans	W. S. Dearolf
American Central Insurance Co. (Mo.)	New York, N. Y.	1853	1853	1872	F. W. Koeckert	Donald D. Henry
American Druggists' Fire Insurance Co., The	Cincinnati, Ohio	1906	1907	1909	G. O. Young*	W. P. Starkey
American Eagle Fire Insurance Co.	New York, N. Y.	1915	1915	1915	Bernard M. Culver	Wm. E. Lamm, Jr.
American Equitable Assurance Co. of New York	New York, N. Y.	1918	1918	1918	Richard A. Corroon	Sidney E. Adams
American and Foreign Insurance Co.	New York, N. Y.	1896	1897	1927	Harold Warner	C. A. Nottingham
American National Fire Insurance Co.	New York, N. Y.	1914	1916	1922	William H. Koop	Daniel R. Ackerman
American Reserve Insurance Co.	New York, N. Y.	1919	1920	1944	Edward L. Mulvehill	Richard H. Long
American Union Insurance Co. of New York	Hartford, Conn.	1923	1923	1923	J. H. Vreeland	T. R. Fletcher
Anchor Insurance Co.	Providence, R. I.	1928	1928	1928	F. B. Luce	H. T. Phinney
Automobile Insurance Co. of Hartford, Conn., The	Hartford, Conn.	1907	1913	1913	Morgan B. Brainerd	James B. Slimmon
Baltimore American Insurance Co. of New York, The	New York, N. Y.	1925	1925	1925	Harold V. Smith	David H. Moore
Bankers and Shippers Insurance Co. of New York	New York, N. Y.	1918	1919	1919	A. E. Hancock	R. Cholmley-Jones
Birmingham Fire Insurance Co. of Pennsylvania	Pittsburgh, Pa.	1871	1871	1927	A. G. Kaufmann	Kenneth F. May
Buffalo Insurance Co.	Buffalo, N. Y.	1867	1867	1873	George E. Houck	George E. Houck
Caledonian-American Insurance Co. (N. Y.)	Hartford, Conn.	1897	1898	1898	Henry Carter	Charles L. Schweis
California Insurance Co., The	San Francisco, Cal.	1864	1906	1914	J. C. Bunyan	William Muller
Camden Fire Insurance Association, The	Camden, N. J.	1841	1841	1900	John F. Gilliams	Charles W. Makin
Capital Fire Insurance Co. of California	San Francisco, Cal.	1911	1912	1935	Ray Decker	A. C. Griffin
Capital Fire Insurance Company of Concord, N. H., The	Concord, N. H.	1886	1886	1937	Charles L. Jackson	Walter Williamson
Carolina Insurance Company, The (N. C.)	New York, N. Y.	1887	1889	1929	Harold V. Smith	Leonard Peterson

Centennial Insurance Co.	New York, N. Y.	1941	1944	William D. Winter	W. J. Thompson
Central Insurance Co. of Baltimore	Philadelphia, Pa.	1865	1926	Charles H. Roloson, Jr.	Thomas Hughes
Central States Fire Insurance Co., The	Wichita, Kansas	1916	1938	Roy E. Ebelan	John A. North
Central Union Insurance Co. (N. J.)	Hartford, Conn.	1928	1929	J. H. Vreeland	Thomas R. Fletcher
Charter Oak Fire Insurance Co., The	Hartford, Conn.	1931	1936	Jesse W. Randall	Robert D. Safford
Church Properties Fire Insurance Corporation, The	New York, N. Y.	1929	1930	Bradford B. Locke**	Robert Worthington
Citizens Insurance Co. of New Jersey	Hartford, Conn.	1929	1930	C. S. Kremer	Clyde P. Smith
City of New York Insurance Co.	New York, N. Y.	1905	1905	Harold V. Smith	Fredrick B. McBride
Columbia Insurance Co. of New York	New York, N. Y.	1939	1939	Thomas J. Irvine	J. F. Cunningham
Columbia Fire Insurance Co. of Dayton, Ohio, The	Newark, N. J.	1881	1882	Paul B. Sommers	Leo E. Kietzman
Commerce Insurance Co.	Glens Falls, N. Y.	1859	1864	G. P. Crawford	A. W. Morgan
Commercial Union Fire Insurance Co. of New York, The	New York, N. Y.	1890	1895	F. W. Koelker	A. F. Greer
Commonwealth Insurance Co. of New York, The	New York, N. Y.	1886	1887	George H. Duxbury†	R. P. Stockham
Concordia Fire Insurance Co. of Milwaukee, The	Newark, N. J.	1870	1886	John R. Cooney	H. C. Houghton
Connecticut Fire Insurance Co., The	Hartford, Conn.	1850	1856	George C. Long, Jr.	Percy P. Taylor
Continental Insurance Co., The	New York, N. Y.	1853	1856	Bernard M. Culver	Wm. E. Lamm, Jr.
County Fire Insurance Co. of Philadelphia	New York, N. Y.	1832	1881	William H. Koop	Gustave G. Classen
Detroit Fire and Marine Insurance Co., The	New York, N. Y.	1866	1888	William H. Koop	Gustave G. Classen
Dubuque Fire & Marine Insurance Co.	Newark, N. J.	1900	1906	Paul B. Sommers	Leo E. Kietzman
Dubuque Fire & Marine Insurance Co. (N. C.)	Dubuque, Iowa	1883	1908	C. J. Schrup	W. F. Kuffel
Eagle Fire Co. of New York, The	New York, N. Y.	1806	1923	Everard P. Smith	J. M. Kidd
East and West Insurance Co. of New Haven, The	New York, N. Y.	1923	1923	Peter J. Berry	W. A. Thomson
Empire State Insurance Co.	Watertown, N. Y.	1928	1928	H. W. Tomlinson	W. A. Seaver
Equitable Fire and Marine Insurance Co. (R. I.)	Hartford, Conn.	1859	1860	George C. Long, Jr.	Percy P. Taylor
Excelsior Insurance Co. of New York	Syracuse, N. Y.	1919	1920	Robert C. Hosmer	Forrest H. Witmeyer
Export Insurance Co.	New York, N. Y.	1923	1923	W. H. Koar	John J. Flood
Farmers' Fire Insurance Co., The	York, Pa.	1853	1853	C. M. Kerr, Jr.	W. McConkey Kerr
Federal Insurance Co. (N. J.)	New York, N. Y.	1901	1903	Hendon Chubb	Joseph J. Magrath
Federal Union Insurance Co. (Ill.)	New York, N. Y.	1908	1915	Harold Warner	C. A. Nottingham
Fidelity and Guaranty Fire Corporation	Baltimore, Md.	1928	1929	Harry F. Ogden	Frank F. Dorsey
Fidelity-Phenix Fire Insurance Co. of New York	New York, N. Y.	1910	1910	Bernard M. Culver	Wm. E. Lamm, Jr.
Fire Association of Philadelphia	Philadelphia, Pa.	1820	1872	Frank H. Thomas	A. Irvin Voss
Fireman's Fund Insurance Co.	San Francisco, Cal.	1863	1869	Charles C. Hannah	W. Stanley Pearce
Fireman's and Directors of the Firemen's Insurance Co. of Washington and Georgetown, The	Washington, D. C.	1837	1913	William M. Hoffman	Albert W. Howard
Firemen's Insurance Co. of Newark, New Jersey	Newark, N. J.	1855	1875	John R. Cooney	H. C. Houghton
First American Fire Insurance Co.	New York, N. Y.	1925	1925	Bernard M. Culver	Wm. E. Lamm, Jr.
First National Insurance Co. of America	Seattle, Wash.	1928	1929	H. K. Dent	L. E. Crowe
Franklin Fire Insurance Co. of Philadelphia, Pa.	New York, N. Y.	1829	1869	Harold V. Smith	Richard F. Van Vranken
Franklin National Insurance Co. of New York	Hartford, Conn.	1925	1925	F. D. Layton	G. Lowe
Fulton Fire Insurance Co., The	New York, N. Y.	1929	1929	F. E. Sammons	Edward I. Coffill
General Exchange Insurance Corporation	New York, N. Y.	1925	1925	Lewis L. Lukes	George H. Bartholomew
General Insurance Co. of America	Seattle, Wash.	1923	1932	H. K. Dent	L. E. Crowe
Gibraltar Fire & Marine Insurance Company, The	New York, N. Y.	1929	1929	Harold V. Smith	George E. Stroub
Girard Fire and Marine Insurance Co., The (Pa.)	Newark, N. J.	1853	1872	John R. Cooney	H. C. Houghton
Glens Falls Insurance Co.	Glens Falls, N. Y.	1849	1871	G. Perry Crawford	John Kilpatrick

* G. O. Young, Acting President

** Died 1/5/46.

† Elected President 1/1/46 succeeding Cecil F. Shallcross who retired 12/31/46.

TABLE 1.—*Fire and Marine Insurance Companies Authorized to Transact Business, etc.*—Continued

NAME OF COMPANY		Principal Office	Incorporated	Commenced Business	Admitted to Mass.	President	Secretary
<i>Stock Companies of Other States—Concluded</i>							
Globe & Republic Insurance Co. of America (Pa).	.	New York, N. Y.	1862	1862	1912	Richard A. Corroon	Sidney E. Adams
Globe and Rutgers Fire Insurance Co.	.	New York, N. Y.	1899	1899	1935	Olin L. Brooks	John R. Van Horne
Grants State Fire Insurance Co.	.	Portsmouth, N. H.	1885	1885	1886	James D. Brooks	Leon A. Robinson
Great American Fire Insurance Co.	.	New York, N. Y.	1872	1872	1872	William H. Koop	Daniel R. Ackerman
Hanover Fire Insurance Co., The	.	New York, N. Y.	1852	1852	1859	F. Elmer Sammons	Edward L. Coffill
Hartford Fire Insurance Co.	.	Hartford, Conn.	1810	1810	1856	C. S. Kremer	Clyde P. Smith
Home Insurance Co., The	.	New York, N. Y.	1853	1853	1856	Harold V. Smith	Herbert C. Taylor
Home Fire and Marine Insurance Co. of California	.	San Francisco, Cal.	1864	1864	1918	Charles C. Hannah	W. Stanley Pearce
Homeland Insurance Co. of America, The	.	New York, N. Y.	1927	1927	1927	George H. Duxbury†	R. P. Stockham
Homestead Fire Insurance Co., The (Md.)	.	New York, N. Y.	1922	1922	1926	Harold V. Smith	Herbert A. Payne
Imperial Assurance Co.	.	New York, N. Y.	1899	1899	1926	Thomas J. Irvine	J. F. Cunningham
Insurance Co. of North America	.	Philadelphia, Pa.	1794	1794	1861	John A. Dienand	Herbert A. Payne
Insurance Co. of the State of Pennsylvania, The	.	Philadelphia, Pa.	1918	1918	1903	Olin L. Brooks	J. Kenton Eisenbrey
Inter-Ocean Reinsurance Co.	.	Cedar Rapids, Iowa	1920	1920	1920	Ray E. Currag	Elmer Van Dusen
Jersey Insurance Co. of New York	.	New York, N. Y.	1938	1938	1920	A. E. Hescock	Karl P. Blaise
Lumbermens Insurance Co.	.	Philadelphia, Pa.	1873	1873	1924	Frank H. Thomas	E. G. Crapser
Manhattan Fire and Marine Insurance Co., The	.	New York, N. Y.	1923	1923	1924	Cris D. Shaffe	A. W. Maasen
Maryland Insurance Co. (Del.)	.	New York, N. Y.	1910	1910	1913	Bernard M. Culver	Wm. E. Lamm, Jr.
Mechanics and Traders Insurance Co.	.	Hartford, Conn.	1933	1933	1933	F. D. Layton	G. Lowe
Mercantile Insurance Co. of America, The	.	New York, N. Y.	1897	1897	1897	George H. Duxbury†	R. P. Stockham
Merchants and Manufacturers Insurance Co. of N. Y.	.	New York, N. Y.	1938	1938	1938	Joseph M. Byrne, Jr.	Sidney E. Adams
Merchants Fire Assurance Corp. of New York	.	New York, N. Y.	1910	1910	1910	Alfred A. Moser	John A. Sanders
Merchants Fire Insurance Co., The	.	Denver, Colo.	1907	1907	1942	J. R. Gardner	Hazel O'Neill
Mercury Insurance Co.	.	St. Paul, Minn.	1925	1925	1925	C. F. Codere	C. A. Dossall
Michigan Fire and Marine Insurance Co.	.	Springfield, Mass.	1880	1881	1908	Walter B. Cruttenden	Stewart H. Manson
Milwaukee Mechanics Insurance Co.	.	Newark, N. J.	1852	1852	1885	John R. Cooney	H. C. Houghton
Minneapolis Fire and Marine Insurance Co.	.	Minneapolis, Minn.	1902	1902	1902	George W. Holton	Percy P. Taylor
National Ben Franklin Insurance Co. of Pittsburgh, Pa.	.	Hartford, Conn.	1869	1871	1872	F. D. Layton	G. Lowe
National Grange Fire Insurance Co.	.	Newark, N. J.	1910	1910	1911	John R. Cooney	H. C. Houghton
National Liberty Insurance Company	.	Keene, N. H.	1935	1936	1937	O. L. Martin	R. C. Carrick
National Reserve Insurance Co. of America	.	New York, N. Y.	1859	1859	1859	Harold V. Smith	Raymond E. Minner
National Security Insurance Co. (Ill.)	.	Dubuque, Ia.	1919	1919	1929	C. J. Schrup	W. F. Kufel
National Union Fire Insurance Co. of Pittsburgh, Pa.	.	Pittsburgh, Pa.	1914	1915	1922	Edgar M. Morsman, III	J. Kenton Eisenbrey
Newark Fire Insurance Co., The (N. J.)	.	New York, N. Y.	1901	1901	1901	J. M. Thomas	Paul J. Synar
New Brunswick Fire Insurance Co., The (N. J.)	.	New York, N. Y.	1811	1810	1877	Harold Warner	C. A. Nottingham
New Hampshire Fire Insurance Co.	.	New York, N. Y.	1826	1832	1905	Harold V. Smith	Harry H. Schulte
New York Fire Insurance Co.	.	Manchester, N. H.	1869	1870	1872	James D. Smart	George W. Swallow
New York Underwriters Insurance Co.	.	New York, N. Y.	1832	1832	1832	Richard A. Corroon	Sidney E. Adams
New York Fire Insurance Co.	.	New York, N. Y.	1925	1926	1925	C. S. Kremer	F. R. Scott

Niagara Fire Insurance Co.	New York, N. Y.	1850	1857	Bernard M. Culver	Wm. E. Lamm, Jr.
North American Fire and Marine Reinsurance Corp.	New York, N. Y.	1940	1942	Rodney Davis	J. K. Battershall
Northern Insurance Co. of New York	New York, N. Y.	1897	1897	George Z. Day	Richard W. Wetzel
North River Insurance Co., The	New York, N. Y.	1822	1898	J. Lester Parsons	Royle R. Harrison
Northwestern Fire and Marine Insurance Co.	Minneapolis, Minn.	1906	1917	C. W. Hall	Frederic D. Wald
Northwestern National Insurance Co. of Milwaukee, Wis.	Le Roy, Ohio	1869	1872	Charles D. James	Herman A. Schmidt
Olio Farmers Insurance Co.	Le Roy, Ohio	1848	1920	C. D. McVay	J. C. Hestand
Orient Insurance Co.	Hartford, Conn.	1867	1872	Gilbert Kingan	C. W. Chappelow
Pacific Fire Insurance Co.	New York, N. Y.	1851	1872	A. E. Heacock	A. R. Mathews
Pacific National Fire Insurance Co.	San Francisco, Cal.	1911	1915	A. E. Connick	L. T. Waldron
Pacific Insurance Co. of America	New York, N. Y.	1922	1923	Oswald Fregaskis	Eliot Middleton
Paul Revere Fire Insurance Co., The	New York, N. Y.	1892	1877	Harold V. Smith	John Glendening
Pennsylvania Fire Insurance Co., The	New York, N. Y.	1825	1871	George H. Duxbury†	R. P. Stockham
Philadelphia Fire & Marine Insurance Co.	Philadelphia, Pa.	1923	1923	John A. Dienand	J. Kenton Eisenbrey
Philadelphia National Insurance Co.	Philadelphia, Pa.	1928	1928	Frank H. Thomas	Philip W. Scheide
Phoenix Insurance Co., The	Hartford, Conn.	1854	1859	George C. Long, Jr.	Philip W. G. Bush
Piedmont Fire Insurance Co. (N. C.)	Hartford, Conn.	1895	1931	W. Ross McCain	Douglas R. Phillips
Potomac Insurance Co. of the District of Columbia, The	Philadelphia, Pa.	1831	1914	John H. Grady	H. T. Phinney
Providence Washington Insurance Co.	Providence, R. I.	1799	1872	F. B. Luce	Harry Halprin
Provident Fire Insurance Co. (N. H.)	New York, N. Y.	1924	1924	Edward W. Elwell	John J. Buswell
Quaker City Fire and Marine Insurance Co.	Philadelphia, Pa.	1930	1943	Gilbert Mather	C. A. Nottingham
Queen Insurance Co. of America	New York, N. Y.	1891	1891	Harold Warner	A. Irvin Voss
Reliance Insurance Co. of Philadelphia, The	Philadelphia, Pa.	1934	1934	Frank H. Thomas	J. H. Crittenden
Rochester American Insurance Co.	West New Brighton, N. Y.	1907	1907	John F. Smith	Daniel R. Ackerman
Safeguard Insurance Co. of New York	New York, N. Y.	1928	1928	William H. Koop	C. W. Chappelow
Safeguard Fire & Marine Insurance Co.	Hartford, Conn.	1915	1915	Gilbert Kingan	Harold W. Rudolph
Seaboard Fire and Marine Insurance Co.	New York, N. Y.	1929	1929	Herbert F. Ellen	C. A. Nottingham
Seaboard Insurance Co., The	Baltimore, Maryland	1924	1924	Harold Warner	G. A. Nottingham
Security Insurance Co. of New Haven	New Haven, Conn.	1841	1874	Peter J. Berry	W. A. Thomson
Standard Fire Insurance Co., The	Hartford, Conn.	1905	1910	Morgan B. Brainard	James B. Slimmon
Standard Fire Insurance Co. of New Jersey	Trenton, N. J.	1868	1913	George W. Arnett	Richard J. Carey
Standard Insurance Co. of New York	Hartford, Conn.	1922	1922	W. Ross McCain	Frank G. Bush
Star Insurance Co. of America	New York, N. Y.	1896	1915	Harold Warner	C. A. Nottingham
St. Paul Fire and Marine Insurance Co.	St. Paul, Minn.	1865	1872	C. F. Codere	C. A. Dossall
Sun Underwriters Insurance Co. of New York	New York, N. Y.	1929	1930	Oswald Fregaskis	Eliot Middleton
Transcontinental Insurance Co. (N. Y.)	Hartford, Conn.	1925	1925	F. D. Layton	G. Lowe
Travelers Fire Insurance Co., The	Hartford, Conn.	1923	1925	Thomas W. Randall	Robert D. Safford
United Firemen's Insurance Co. of Philadelphia	New York, N. Y.	1860	1910	Jesse W. Irvine	J. F. Cunningham
United States Fire Insurance Co.	New York, N. Y.	1824	1912	J. Lester Parsons	Royle R. Harrison
Universal Insurance Co. (N. J.)	New York, N. Y.	1921	1921	John F. Byrne	S. Curtis Bird
Virginia Insurance Company	New York, N. Y.	1939	1941	Hendon Chubb	Joseph J. Magrath
Virginia Fire and Marine Insurance Co., The	Richmond, Va.	1832	1931	Claude D. Minor	B. C. Lewis, Jr.
Washington Assurance Corporation of New York	New York, N. Y.	1924	1924	George F. Warch	John A. Sanders
Westchester Fire Insurance Co.	New York, N. Y.	1837	1899	J. Lester Parsons	C. B. G. Gaillard
World Fire and Marine Insurance Co., The	San Francisco, Cal.	1927	1928	Charles C. Hannah	W. Stanley Pearce
Zurich Fire Insurance Company of New York	Hartford, Conn.	1921	1924	W. Ross McCain	Frank G. Bush
	New York, N. Y.	1929	1941	Neville Pilling	John S. Breckenridge

†Elected President 1/1/46 succeeding Cecil F. Shallcross who retired 12/31/45.

TABLE 1.—*Fire and Marine Insurance Companies Authorized to Transact Business, etc.—Concluded*

NAME OF COMPANY	Home Office	Incorporated	Commenced Business in U. S.	Admitted to Mass.	Resident Manager or Attorney to United States
UNITED STATES BRANCHES, COMPANIES OF OTHER COUNTRIES					
Alliance Assurance Co., Ltd.	London, England	1824	1911	1911	Chubb & Son, New York, N. Y.
Atlas Assurance Co., Ltd.	London, England	1808	1886	1890	Ronald R. Martin, New York, N. Y.
British America Assurance Co., The	Toronto, Canada	1833	1874	1893	Crum & Forster, New York, N. Y.
British and Foreign Marine Insurance Co., Ltd.	Liverpool, England	1863	1876	1880	Frank B. Zeller, New York, N. Y.
Calcutta General Insurance Co., Ltd., The	London, England	1904	1920	1920	F. W. Koeckert, New York, N. Y.
Caledonian Insurance Co.	Edinburgh, Scotland	1805	1860	1891	Raymond T. Sweeney, Hartford, Conn.
Century Insurance Co., Ltd., The	Edinburgh, Scotland	1885	1911	1912	Lawrence J. Tillman, New York, N. Y.
Commercial Union Assurance Co. (Ltd.)	London, England	1861	1871	1871	F. W. Koeckert, New York, N. Y.
Eagle Star Insurance Co., Ltd.	London, England	1904	1916	1917	Talbot, Bird & Co., Inc., New York, N. Y.
Indemnity Marine Assurance Co., Ltd., The	London, England	1824	1889	1917	Appleton & Cox, Inc., New York, N. Y.
Law Union and Rock Insurance Co., Ltd., The	London, England	1806	1897	1897	Gilbert Kingan, Hartford, Conn.
Liverpool and London and Globe Insurance Co., Ltd., The	Liverpool, England	1836	1848	1856	H. C. Conick, New York, N. Y.
London Assurance, The	London, England	1720	1872	1872	Chris D. Sheffe, New York, N. Y.
London & Lancashire Insurance Co., Ltd., The	London, England	1861	1879	1879	Gilbert Kingan, Hartford, Conn.
London and Scottish Assurance Corp., Ltd.	London, England	1862	1914	1915	R. P. Barbour, New York, N. Y.
Marine Insurance Co., Ltd., The	London, England	1836	1884	1886	Chubb & Son, New York, N. Y.
Netherlands Insurance Co., Est. 1845, The	Curacao, Dutch West Indies	1845	1913	1913	Raymond T. Sweeney, Hartford, Conn.
North British and Mercantile Insurance Co., Ltd.	London and Edinburgh	1809	1866	1867	George H. Duxbury, New York, N. Y.†
Northern Assurance Co., Ltd., The	London, England	1836	1854	1876	R. P. Barbour, New York, N. Y.
Norwich Union Fire Insurance Society, Ltd.	Norwich, England	1797	1877	1879	Everard P. Smith, New York, N. Y.
Ocean Marine Insurance Company Limited, The	London, England	1859	1903	1941	Cecil F. Shallcross, New York, N. Y.
Pacific Coast Fire Insurance Co., The	Vancouver, B. C.	1890	1926	1936	Lawrence J. Tillman, New York, N. Y.
Palatine Insurance Co., Ltd., The	London, England	1900	1901	1901	F. W. Koeckert, New York, N. Y.
Phoenix Assurance Co., Ltd.	London, England	1782	1879	1879	Thomas J. Irvine, New York, N. Y.
Royal Insurance Co., Ltd.	Liverpool, England	1845	1851	1856	(H. C. Conick, New York, N. Y. (Fire))
Royal Exchange Assurance, The	London, England	1720	1891	1904	(F. B. Zeller, New York, N. Y. (Marine))
Scottish Union and National Insurance Co., The	Edinburgh, Scotland	1824	1880	1880	Edward W. Elwell, New York, N. Y.
Sea Insurance Co., Ltd., The	Liverpool, England	1875	1876	1926	J. H. Vreeland, Hartford, Conn.
Standard Marine Insurance Co., Ltd.	Liverpool, England	1871	1888	1912	Chubb & Son, New York, N. Y.
					{W. J. Roberts & Co., Inc., N. Y., N. Y., (Mar.)
					{Gilbert Kingan, Hartford, Conn. (Fire)

TABLE 2.—Income, Disbursements, Premiums, Losses, Assets, Liabilities and Surplus to Policyholders, Dec. 31, 1945

COMPANIES		Income	Disbursements	Net Premiums	Net Losses Paid	Admitted Assets	Liabilities	Surplus to Policyholders
<i>Massachusetts Mutual Companies Other than Manufacturers'</i>								
Abington	.	\$360,130	\$311,244	\$334,373	\$128,047	\$812,562	\$413,541	\$399,021
Allied American	.	1,332,748	1,164,279	1,289,845	553,685	2,472,070	1,186,464	1,285,606
Associated Merchants	.	72,391	72,391	52,592	38,080	212,895	82,389	130,506
Atleborough	.	51,122	51,122	48,938	21,348	136,046	63,923	72,123
Barnstable County	.	132,247	150,825	110,410	37,399	627,664	148,262	479,402
Berkshire	.	1,099,108	953,246	995,429	393,311	1,574,619	1,099,022	475,597
Cambridge	.	814,871	674,118	703,082	300,713	1,496,398	914,315	582,083
Dorchester	.	371,504	369,702	347,072	153,437	885,520	479,253	406,207
Federal	.	815,616	782,522	793,123	294,738	1,491,367	910,967	580,400
Fitchburg	.	458,090	405,478	423,457	146,466	768,298	498,295	270,003
Groveland	.	1,218	1,577	565	284	1,245	1,308	—63
Hingham	.	350,213	325,752	317,344	136,929	1,165,300	465,732	699,568
Holyoke	.	1,262,894	1,130,036	1,105,079	389,963	3,786,177	1,376,058	2,410,119
Lowell	.	274,409	280,555	263,432	127,042	407,443	300,125	107,318
Lumber	.	1,940,969	2,061,634	1,689,505	951,707	4,846,015	1,714,870	3,131,145
Lynn Mutual	.	344,526	305,082	324,150	114,891	878,684	359,749	518,935
Merchants and Farmers	.	232,126	235,075	217,563	88,931	510,356	301,475	208,881
Merrimack	.	2,526,563	2,165,689	2,402,801	832,836	3,846,054	2,528,479	1,317,575
Middlesex	.	1,334,981	1,237,824	1,223,588	468,185	4,209,176	1,443,192	2,765,984
Mutual Fire Assurance	.	47,233	44,867	24,802	2,807	437,449	63,040	372,409
Newburyport	.	8,777	6,845	3,778	907	85,801	5,541	80,260
Norfolk and Dedham	.	1,009,625	797,654	909,975	303,060	2,616,996	1,109,272	1,507,724
Pioneer	.	84,360	77,150	79,264	37,372	86,576	87,442	—866
Quincy	.	2,086,919	1,756,097	1,794,874	688,962	5,617,483	2,247,451	3,370,032
Salem	.	115,020	115,963	106,847	37,605	218,244	146,019	72,225
Traders and Mechanics	.	726,240	625,727	670,600	249,976	1,644,196	756,915	887,281
West Newbury	.	7,935,161	7,416,754	7,555,326	3,348,081	13,031,895	8,507,832	4,524,063
Worcester Mutual	.	5,583	5,731	807	845	33	1,560	—1,527
Totals	.	\$26,873,103	\$24,505,244	\$24,795,296	\$10,286,966	\$58,886,596	\$28,508,008	\$30,378,588
<i>Mutual Companies of Other States Other than Manufacturers'</i>								
Atlantic Mutual	.	\$ 9,710,312	\$7,393,559	\$8,292,261	\$2,897,198	\$27,557,135	\$13,359,275	\$14,197,860
Automobile Mutual	.	697,284	675,563	549,602	92,294	5,746,699	631,252	5,115,447
Central Manufacturers	.	6,839,251	6,128,105	6,381,701	2,574,001	12,094,791	8,060,134	4,034,657
Employers Mutual of Wausau	.	826,413	581,642	804,567	243,727	1,396,125	844,805	551,320
Grain Dealers National	.	4,360,094	3,996,943	4,125,630	1,528,503	5,755,477	3,979,734	1,775,743
Hardware Dealers'	.	6,376,827	5,738,746	6,179,965	2,122,161	11,183,806	6,998,871	4,184,935
Hardware Mutual	.	5,266,380	5,294,517	4,899,526	1,910,786	8,052,111	5,749,570	2,302,541

Indiana Lumbermen's	3,377,230	3,209,615	3,135,183	1,325,699	5,115,860	3,244,343	1,871,517
Lumbermen's Mutual	3,018,512	2,973,684	2,816,478	1,338,699	4,464,884	3,249,641	1,215,243
Manufacturers and Merchants	239,176	224,510	202,000	1,321,327	2,993,780	3,226,299	992,028
Manufacturers and Business Men's	1,244,459	1,113,680	567,205	1,702,273	3,631,799	596,846	2,396,934
Michigan Millers	3,835,790	3,732,141	3,606,523	1,524,890	4,544,400	3,631,799	2,212,608
Millers Mutual (Ill.)	2,714,964	2,281,204	2,533,369	901,267	4,754,800	2,452,066	2,302,734
Millers Mutual (Pa.)	871,959	795,275	788,915	284,866	2,276,325	784,282	1,492,043
Millers Mutual (Texas)	1,599,030	1,514,648	1,598,038	669,922	2,705,078	1,532,874	1,172,204
Millers National	4,741,972	4,431,483	4,531,749	2,084,399	8,025,580	5,426,877	2,598,703
Mill Owners Mutual (Iowa)	2,990,601	2,680,007	2,780,058	1,087,688	3,796,680	2,893,450	903,210
Mutual Fire of Saco (Me.)	169,082	145,677	149,504	55,617	282,938	112,696	112,696
Mutual Implement and Hardware	6,813,465	6,152,432	6,567,343	2,357,010	9,624,605	7,267,531	2,357,074
National Retailers	4,102,589	3,640,689	3,959,696	1,416,434	5,693,745	3,920,832	1,763,913
Northwestern Mutual	10,093,349	9,983,533	10,226,047	3,370,569	15,631,848	11,984,593	3,667,255
Ohio Mutual	1,022,265	1,011,149	89,184	38,788	485,893	121,350	134,543
Pawtucket	1,426,852	1,327,570	1,284,886	484,190	3,079,014	1,647,803	1,431,211
Pennsylvania Lumbermen's	2,665,899	2,400,107	2,480,136	1,037,040	3,292,275	2,743,002	2,549,273
Pennsylvania Millers	1,653,422	1,370,780	1,493,311	529,069	4,742,488	1,435,586	3,283,900
Phoenix Mutual	181,624	180,417	161,601	65,538	713,638	261,030	452,608
Providence Mutual	249,346	245,532	171,773	88,174	1,870,795	368,094	1,502,701
Union Mutual	2,591,822	2,408,588	2,465,461	909,566	2,683,773	1,841,342	847,431
Utica Mutual	308,545	254,423	286,642	124,046	676,001	347,237	328,764
Vermont	716,841	663,615	638,998	245,014	1,250,006	702,807	547,199
Totals	\$90,394,445	\$80,929,644	\$83,680,362	\$31,559,050	\$165,136,864	\$96,608,567	\$68,528,297
<i>Massachusetts Manufacturers' Mutuals</i>							
Arkwright	\$4,217,900	\$3,673,060	\$3,829,135	\$434,309	\$11,195,381	\$4,920,935	\$6,274,446
Boston Manufacturers	5,754,512	4,595,829	5,198,304	582,876	13,471,350	6,938,009	6,533,341
Cotton and Woolen	3,083,927	2,495,087	2,788,046	294,854	8,081,670	3,545,011	4,536,659
Fall River Manufacturers'	1,500,897	1,189,394	1,338,933	150,124	3,896,319	1,793,199	2,103,120
Worcester Manufacturers'	1,461,632	1,174,242	1,338,933	150,124	3,537,860	1,797,247	1,740,613
Totals	\$16,018,868	\$13,127,612	\$14,493,351	\$1,612,287	\$40,182,580	\$18,994,401	\$21,188,179
<i>Manufacturers' Mutuals of Other States</i>							
Blackstone Mutual	\$4,766,107	\$3,822,988	\$4,397,473	\$546,927	\$11,467,477	\$2,812,004	\$5,655,473
Firemen's Mutual	6,374,880	4,646,910	5,633,014	791,197	14,906,251	7,795,140	7,111,111
Manufacturers' Mutual	19,021,895	11,771,467	13,189,836	1,435,973	37,847,654	17,408,124	20,438,550
Philadelphia Manufacturers	5,998,114	1,361,570	1,455,748	179,839	3,665,898	1,913,188	2,752,410
Protection Mutual	2,042,641	1,676,811	1,846,015	228,837	4,070,116	2,784,980	2,279,136
What Cheer	2,050,253	1,742,388	1,902,140	243,763	5,070,913	2,554,650	2,516,263
Totals	\$31,853,890	\$25,022,134	\$28,424,221	\$3,417,636	\$77,732,309	\$37,969,386	\$39,752,923
<i>Massachusetts Stock Companies</i>							
Boston	\$5,316,378	\$7,861,266	\$7,194,393	\$3,481,107	\$32,448,542	\$10,597,070	\$21,851,472
Employers'	5,863,248	5,341,285	5,594,959	2,572,730	10,530,534	6,644,068	3,886,406

TABLE 2.—Income, Disbursements, Premiums, Losses, etc.—Continued

COMPANIES		Income	Disbursements	Premiums	Net Losses Paid	Admitted Assets	Liabilities	Surplus to Policyholders
<i>Massachusetts State Companies — Concluded</i>								
Massachusetts Fire and Marine	.	\$992,093	\$823,244	\$855,542	\$367,286	\$3,925,417	\$971,340	\$2,954,077
New England	.	779,390	680,400	638,038	331,075	3,191,875	767,520	2,424,355
Old Colony	.	2,816,339	2,683,267	2,398,982	1,134,101	13,089,168	3,449,798	9,639,372
Sentinel	.	792,352	704,685	656,757	330,254	3,248,869	768,335	2,480,534
Springfield Fire and Marine	.	23,913,155	22,154,423	22,376,914	11,236,708	48,680,249	25,905,965	22,774,284
Totals	.	\$43,472,955	\$40,228,570	\$39,725,565	\$19,475,261	\$115,114,654	\$49,104,094	\$66,010,560
<i>Stock Companies of Other States</i>								
Aetna	.	\$38,736,289	\$32,936,081	\$36,453,635	\$10,047,384	\$80,176,565	\$45,858,557	\$34,217,908
Agricultural	.	10,413,125	9,267,765	9,015,451	4,473,306	21,266,120	11,665,858	9,600,262
Albany	.	924,645	807,944	745,537	366,356	7,729,211	1,054,341	2,674,870
Alliance	.	2,486,063	2,396,672	2,176,032	1,049,976	6,975,297	2,981,519	3,993,778
Allied Fire (Pa.)	.	4,697,366	4,199,007	4,147,938	1,914,537	14,779,511	5,977,752	8,801,759
Amalgamated	.	540,241	416,048	510,732	163,103	1,273,604	575,968	697,636
American (N. J.)	.	28,250,614	23,529,327	24,593,831	11,548,503	58,406,127	34,786,868	23,619,259
American Alliance	.	3,902,036	3,406,426	3,494,362	1,525,782	12,549,923	3,857,196	8,692,727
American Automobile	.	8,265,014	7,936,582	7,543,708	3,877,446	6,551,712	5,353,758	1,197,954
American Aviation	.	1,143,401	490,996	852,158	155,257	1,779,341	760,725	1,018,616
American Central	.	3,699,785	3,399,258	3,492,197	1,569,083	8,969,502	4,388,555	4,580,947
American Eagle	.	606,793	606,793	459,139	227,238	2,389,219	370,335	2,018,884
American Equitable	.	5,927,411	5,927,411	5,322,028	2,292,054	27,536,546	9,521,613	18,014,933
American National	.	11,838,155	10,349,060	10,286,861	4,709,287	22,811,193	15,672,323	7,138,870
American Reserve	.	2,908,583	2,367,705	2,594,696	1,102,182	9,857,961	3,873,008	5,979,953
Anchor	.	140,380	70,072	70,072	1,465,119	7,471,100	32,500	1,432,619
American Union	.	3,883,959	3,491,660	3,513,726	1,700,433	7,471,100	4,412,810	3,058,280
Automobile	.	587,148	479,457	411,755	161,785	3,980,742	720,017	3,260,725
Baltimore American	.	1,227,343	993,350	1,011,012	484,766	3,663,875	1,174,394	2,476,481
Barnes and Shippers	.	22,911,833	19,971,852	21,347,742	9,333,625	44,479,833	25,175,766	19,304,067
Birmingham (Pa.)	.	3,276,761	3,004,955	2,859,589	1,453,792	8,659,985	3,582,670	5,077,315
Buffalo	.	4,277,530	3,962,394	3,685,379	1,980,752	8,416,267	4,539,120	3,877,147
California	.	3,711,293	269,488	251,969	116,437	2,673,629	419,002	2,254,627
Caledonian-American	.	3,335,053	3,076,903	3,087,792	1,322,700	7,984,385	3,979,099	4,005,286
Camden	.	826,129	1,015,178	712,375	488,614	1,907,912	1,018,905	889,307
Capital (Cal.)	.	2,300,512	2,098,462	2,068,005	953,617	5,921,776	2,710,541	3,211,235
Capital (N. H.)	.	10,036,767	8,860,984	9,200,625	4,319,771	18,582,895	10,768,973	7,813,922
Carolina	.	734,483	620,802	667,718	285,872	2,533,968	922,836	2,041,132
Central	.	69,866	75,054	49,311	19,066	553,164	71,439	481,725
Central (Cal.)	.	1,297,592	1,202,759	1,140,908	586,169	3,292,929	1,336,426	1,956,503
Central (N. H.)	.	1,699,362	1,062,074	1,363,240	629,487	3,714,721	2,180,055	1,534,666
Central (Md.)	.	2,159,239	1,681,672	1,643,989	779,079	6,094,948	2,157,928	3,937,320

Central States	79,852	125,873	-	361,973	2,580,130	2,218,157
Central Union	238,386	189,283	168,928	56,340	2,091,180	1,648,343
Charter Oak	926,984	707,474	857,715	351,868	3,853,927	2,604,973
Church Properties	151,194	203,443	40,390	32,868	837,880	754,233
Citizens (N. Y.)	880,573	679,383	683,546	337,439	4,437,205	3,601,008
City of New York	2,600,432	2,304,145	2,234,548	1,131,225	6,806,966	2,788,440
Columbia (N. Y.)	1,571,247	1,281,900	1,358,101	506,485	4,044,292	1,859,806
Columbia (Ohio)	1,161,203	972,583	933,312	437,105	4,586,924	2,184,486
Commerce	2,676,653	2,541,687	2,336,967	1,104,754	4,077,301	3,872,770
Commercial Union (N. Y.)	1,764,684	1,620,903	1,641,345	1,756,453	7,073,756	1,984,003
Commonwealth	2,974,313	2,901,586	2,711,681	1,313,986	9,405,586	3,625,783
Concordia	2,683,998	2,551,801	2,440,251	1,187,028	5,951,591	2,778,803
Connecticut	9,561,960	8,624,840	8,516,350	3,942,781	30,787,739	3,238,392
Continental	39,346,007	47,876,918	31,833,795	14,107,172	159,267,735	11,704,831
County	980,894	852,305	854,833	367,438	3,449,974	115,092,908
Detroit Fire and Marine	1,693,293	1,488,954	1,516,712	669,436	5,291,125	44,175,918
Dixie	573,663	508,272	467,656	218,552	2,917,698	1,032,792
Dubuque Fire and Marine	3,667,330	3,413,006	3,362,979	1,587,460	6,769,978	3,680,840
Eagle (N. Y.)	878,639	912,633	794,859	423,489	2,638,959	1,710,285
East and West	1,502,397	1,380,291	1,316,965	648,017	4,929,859	2,338,720
Empire State	2,452,213	2,279,429	2,253,863	1,119,576	5,334,943	1,074,284
Equitable Fire and Marine	2,000,102	1,726,504	1,703,270	788,556	9,436,803	1,933,656
Excelsior	701,452	533,058	606,302	235,244	1,590,134	2,767,881
Export	407,168	450,048	177,023	39,270	1,255,119	7,249,496
Farmers (Pa.)	1,168,592	1,098,778	1,062,040	547,144	3,850,219	810,025
Federal	7,626,309	6,555,635	6,755,529	2,949,777	32,685,052	1,007,380
Federal Union	1,647,855	1,437,414	1,503,981	666,050	4,539,076	1,498,940
Fidelity and Guaranty	9,892,652	8,560,004	9,195,187	4,247,639	14,114,320	2,351,279
Fidelity-Phenix	30,563,658	36,476,189	25,370,111	11,462,284	132,711,835	2,052,348
Fire Association	12,693,928	12,653,458	11,406,994	5,496,957	32,004,427	9,709,479
Fireman's Fund	39,316,431	28,789,124	36,187,229	12,789,656	98,513,064	35,673,927
Firemen's (D. C.)	296,198	279,464	220,438	92,009	1,270,578	15,773,224
Firemen's (N. J.)	28,480,230	21,539,588	20,916,434	10,174,529	54,848,473	60,820,087
First American	1,431,740	1,265,159	1,175,441	525,308	4,365,856	417,703
First National	1,444,686	1,113,214	1,375,033	467,816	3,412,528	832,785
Franklin Fire	10,940,984	10,058,262	9,511,700	4,833,205	26,917,554	4,871,397
Franklin National	937,598	788,249	769,170	365,557	5,757,482	1,464,459
Fulton	84,918	14,337	-	-	2,016,642	1,552,618
General Exchange	6,634,712	6,139,947	4,540,240	2,969,502	22,905,343	12,316,998
General Insurance	17,208,896	15,675,366	16,100,703	7,064,337	33,782,639	1,157,805
Gibraltar Fire and Marine	1,883,233	1,764,628	1,614,028	881,392	4,694,142	12,350
Glad Fire and Marine	2,840,838	2,644,937	2,446,241	1,187,028	6,412,691	3,800,910
Glen Falls	14,786,429	13,224,079	13,242,815	6,259,130	34,670,234	2,072,309
Globe and Republic	4,998,910	4,294,445	4,473,347	1,936,575	8,994,270	3,691,546
Globe and Rutgers	5,341,591	5,341,591	4,373,634	2,264,482	15,591,645	2,721,145
Granite State	2,542,114	2,385,482	2,346,393	1,197,024	5,835,279	14,551,410
Great American	24,130,220	22,383,337	21,303,406	10,527,945	72,832,659	3,202,852
Hanover	12,243,151	10,732,119	9,773,300	4,995,133	28,495,417	7,684,221
Hartford	66,548,828	54,900,848	61,266,768	25,143,105	196,727,951	2,866,155
Home	85,577,392	72,972,581	74,574,328	36,279,021	172,203,602	46,213,779
Home Fire and Marine	6,510,046	4,800,931	5,970,008	2,284,698	14,220,847	13,880,954
						14,614,463
						73,947,838
						122,780,113
						83,400,322
						5,416,807

TABLE 2. — *Income, Disbursements, Premiums, Losses, etc.* — Continued

COMPANIES	Stock Companies of Other States — Concluded					Income	Disbursements	Net Premiums	Net Losses Paid	Admitted Assets	Liabilities	Surplus to Policyholders
Homeland						\$1,842,862	\$1,671,858	\$1,694,494	\$748,740	\$4,941,041	\$2,130,043	\$2,810,998
Homestead						1,673,307	1,508,939	1,434,332	762,639	4,107,188	1,715,728	2,391,460
Imperial Assurance						1,862,723	1,578,455	1,615,179	686,149	4,814,160	2,184,836	2,629,324
Insurance Co. of North America						58,412,698	43,001,557	42,821,608	19,488,994	198,590,258	59,941,756	138,048,502
Insurance Co. of State of Pa.						2,155,399	1,989,884	1,817,024	905,919	5,649,953	2,892,255	2,757,698
Inter-Ocean						3,064,301	2,829,511	2,913,742	1,416,305	5,782,658	3,734,819	2,047,838
Jersey						2,843,438	2,515,322	2,354,548	1,268,019	5,522,419	2,897,451	2,624,968
Lumbermens (Pa.)						2,056,406	1,988,980	1,732,818	888,614	6,744,229	2,542,262	2,201,967
Manhattan Fire and Marine						1,615,161	1,417,977	1,494,524	630,827	4,128,167	1,860,133	2,688,034
Maryland						481,547	822,287	313,557	419,826	4,296,972	864,154	3,432,818
Mechanics and Traders						1,894,471	1,654,652	1,666,535	792,041	7,516,575	2,422,227	5,094,348
Mercantile						2,930,475	2,763,622	2,679,046	1,196,325	8,901,826	3,403,723	5,498,103
Merchants (N. Y.)						5,936,366	5,311,382	4,728,698	2,150,469	26,547,839	7,047,134	19,500,705
Merchants and Manufacturers						3,042,877	2,604,228	2,684,009	1,161,945	6,313,909	3,564,029	2,749,880
Merchants (Colorado)						1,424,788	1,405,963	1,224,003	674,210	8,069,269	2,140,361	928,708
Mercury						4,431,996	3,889,128	4,126,114	1,929,821	8,939,473	4,826,450	4,113,023
Michigan Fire and Marine						2,850,506	2,599,390	2,632,223	1,324,301	6,035,079	3,042,081	2,992,998
Milwaukee Mechanics'						7,482,739	6,937,782	6,623,537	3,221,934	15,712,261	8,759,794	6,952,467
Minneapolis Fire and Marine						111,842	140,795	—	—	3,287,037	462,266	2,824,771
National Fire						24,165,898	23,285,905	22,434,122	10,662,090	64,609,722	31,598,804	33,010,918
National-Ben Franklin						2,709,038	2,522,720	2,440,251	1,187,028	5,891,845	3,242,913	2,648,932
National-Grange						238,419	198,508	215,081	70,395	759,876	294,685	465,191
National Liberty						9,935,524	9,006,598	8,715,225	4,325,927	26,445,636	11,005,603	15,440,033
National Reserve						1,578,988	1,450,030	1,441,277	680,340	3,142,177	1,904,836	1,237,341
National Security						990,660	856,552	861,099	390,365	3,815,161	1,153,967	2,661,494
National Union						14,029,290	12,876,011	12,552,797	6,398,229	26,674,459	18,409,906	8,264,553
New Brunswick						5,279,420	4,609,766	4,814,450	2,400,144	14,062,256	6,698,631	7,363,625
New Hampshire						2,745,370	2,490,144	2,359,831	1,208,144	6,276,379	2,897,124	3,379,255
New Hampshire						8,475,078	7,356,878	7,422,638	3,381,590	22,606,017	10,407,747	12,198,270
New York Fire						4,573,322	4,376,322	4,922,524	1,875,068	9,928,001	5,894,363	4,033,638
New York Underwriters						2,934,084	2,473,069	2,545,792	1,198,110	12,184,595	3,450,555	8,734,040
Niagara						9,866,908	8,612,130	7,969,875	3,870,775	38,982,154	10,285,592	28,696,562
North American Fire and Marine						118,766	115,010	97,185	35,332	2,106,463	91,999	2,074,464
Northern (N. Y.)						6,452,448	6,403,030	5,845,938	2,889,643	15,572,953	7,501,456	8,071,497
North River						10,283,265	9,787,243	9,083,581	4,388,914	33,590,199	13,029,368	20,560,631
Northwestern Fire and Marine						1,121,626	1,029,075	998,210	441,571	3,600,643	1,166,004	2,434,639
Northwestern National						6,917,458	5,928,739	5,829,728	2,422,247	22,470,032	8,920,930	13,549,102
Ohio Farmers						4,499,709	3,779,356	4,036,218	1,696,801	9,361,099	4,975,517	4,385,582
Orient						2,664,459	2,616,896	2,501,494	1,234,866	7,476,469	3,567,099	3,909,370
Pacific						5,039,499	4,546,853	4,197,237	2,255,559	10,063,434	5,424,727	4,638,707
Pacific National						5,781,523	5,631,051	5,283,208	2,954,666	12,561,071	7,881,343	4,679,728
Patriotic						1,606,244	1,369,287	1,470,321	641,013	3,979,162	1,506,378	2,472,784

Paul Revere	1,697,387	1,522,944	1,424,173	734,945	4,791,719	1,790,959	3,000,760
Pennsylvania	6,618,754	6,307,315	6,050,435	2,760,203	19,115,796	8,565,923	10,548,873
Philadelphia Fire and Marine	2,619,009	2,329,783	2,329,433	1,075,511	8,621,748	3,091,864	3,529,884
Philadelphia National	910,140	852,198	730,353	361,834	3,832,628	979,343	2,853,285
Phoenix	16,759,380	15,114,255	14,112,809	6,533,751	81,386,008	19,787,552	61,598,481
Piedmont	2,724,826	2,276,056	2,098,831	1,169,921	4,795,159	2,906,255	1,898,904
Potomac	4,054,589	3,936,930	3,849,384	1,812,284	7,421,367	4,598,786	2,822,581
Providence	11,055,025	9,209,327	10,040,842	4,451,103	23,760,772	11,867,311	11,893,461
Providence Washington	1,675,368	1,446,109	1,578,285	763,693	4,153,447	2,076,650	2,076,650
Provident	956,344	926,393	841,285	433,718	2,311,489	1,039,972	1,271,517
Quaker City	13,475,408	11,964,046	12,355,523	5,577,308	32,030,954	17,271,842	14,759,112
Queen	1,470,735	1,322,740	1,180,778	572,707	5,517,275	1,673,184	3,844,091
Reliance	1,658,139	1,580,408	1,358,748	615,918	6,494,472	2,001,190	4,493,282
Richmond	1,781,374	1,462,839	1,516,712	669,436	5,976,025	1,710,785	4,265,240
Rochester American	1,235,103	1,172,495	1,125,574	518,184	3,868,567	1,564,406	2,304,161
Safeguard	1,545,951	1,523,440	1,369,060	768,115	3,947,711	2,080,124	1,867,587
Seaboard Fire and Marine	644,978	537,119	591,930	261,260	2,134,344	781,977	1,352,367
Seaboard Insurance	8,271,203	7,550,754	7,514,400	3,667,126	19,549,759	9,854,289	9,695,470
Security	3,531,761	3,224,609	3,245,056	1,430,930	8,660,742	4,479,985	4,180,757
Standard (Conn.)	1,333,219	1,333,398	1,192,802	585,614	3,978,499	2,020,592	1,957,907
Standard (N. J.)	4,914,710	4,565,317	4,669,541	2,346,529	10,517,258	5,673,846	4,843,412
Star	3,843,683	3,405,255	3,556,165	1,640,491	8,396,991	4,715,723	3,681,268
St. Paul Fire and Marine	24,745,168	21,687,009	21,902,156	10,459,490	66,306,657	25,406,720	40,899,937
St. Paul Fire and Marine	971,558	906,901	903,238	449,493	2,280,966	1,064,221	1,216,745
Sun Underwriters	920,857	782,551	769,170	363,557	5,727,444	1,095,523	4,631,921
Transcontinental	25,347,334	24,736,867	24,394,248	11,355,485	39,511,567	30,530,381	9,281,186
Travelers	2,062,945	1,695,164	1,753,291	701,706	4,602,415	2,045,388	2,257,027
United Firemen's	17,137,352	15,350,547	15,408,191	6,832,690	52,653,097	23,137,343	29,457,754
United States Fire	1,432,355	1,651,241	1,366,297	969,819	4,988,699	3,056,944	1,931,755
Universal	1,446,750	1,174,389	1,360,821	575,339	5,364,492	1,738,589	3,624,903
Vigilant	1,578,109	1,360,910	1,446,232	617,904	4,012,810	1,646,208	2,366,602
Virginia Fire and Marine	423,729	288,414	302,980	122,786	2,891,033	354,416	2,536,617
Washington Assurance	10,745,134	10,062,048	9,726,947	4,717,678	29,438,943	14,769,453	14,669,490
Westchester	2,699,559	1,939,067	2,445,825	896,783	7,858,292	3,983,885	3,874,407
Western National	3,103,888	2,810,923	2,901,038	1,417,878	8,509,097	3,422,054	5,087,043
World Fire and Marine	997,960	951,989	920,623	521,181	2,864,920	632,918	2,232,002
Zurich							
Totals	\$1,089,114,607	\$971,574,778	\$952,207,279	\$439,559,100	\$2,932,574,999	\$1,271,898,722	\$1,660,676,277
<i>United States Branches, Companies of Other Countries</i>							
Alliance Assurance	\$1,860,268	\$1,550,674	\$1,681,106	\$708,917	\$5,399,570	\$2,430,972	\$2,968,598
Atlas Assurance	4,694,380	4,380,550	4,363,393	2,157,886	9,605,491	6,230,780	3,374,711
British America	849,254	737,261	740,962	298,437	3,322,860	991,061	2,331,799
British and Foreign Marine	2,551,179	2,225,893	2,180,226	969,020	6,337,187	3,165,718	3,171,469
British General	538,113	506,488	489,570	225,928	1,474,161	616,865	857,296
Caledonian	3,232,505	3,025,945	3,005,641	1,378,986	5,386,431	4,006,993	1,379,438
Century	2,490,610	2,316,508	2,072,551	1,032,457	6,360,130	3,074,378	3,285,752

TABLE 2.—Income, Disbursements, Premiums, Losses, etc.—Concluded

COMPANIES		Income	Disbursements	Net Premiums	Net Losses Paid	Admitted Assets	Liabilities	Surplus to Policyholders
<i>United States Branches, Companies of Other Countries—Concluded</i>								
Commercial Union Assurance	.	\$9,129,428	\$8,681,043	\$8,289,489	\$3,435,288	\$19,148,372	\$10,555,756	\$8,592,616
Eagle Star	.	1,028,327	1,371,602	842,677	675,551	5,320,585	2,599,504	2,721,081
Indemnity Marine	.	967,721	808,686	922,685	424,766	2,399,135	1,275,542	1,123,593
Law Union and Rock	.	922,610	946,923	828,980	445,109	2,608,341	1,316,126	1,292,215
Liverpool and London and Globe	.	12,794,026	11,393,031	11,916,196	5,678,026	24,833,208	15,869,035	8,964,173
London Assurance	.	5,631,126	5,046,901	5,200,439	2,232,301	12,553,796	6,689,339	5,864,457
London & Lancashire	.	3,931,890	4,191,682	3,683,715	2,192,796	8,850,229	6,073,373	2,776,856
London and Scottish	.	454,640	447,637	409,754	200,099	1,703,632	550,971	1,152,661
Marine	.	2,860,077	2,351,445	2,611,018	955,257	8,506,739	3,606,505	4,900,234
Netherlands	.	1,322,329	1,073,639	1,111,293	480,709	2,079,682	1,233,133	846,549
North British and Mercantile	.	9,344,102	9,169,873	8,724,648	4,313,558	18,322,773	11,513,092	6,809,681
Northern Assurance	.	6,727,436	6,055,215	6,165,357	2,871,432	11,241,866	8,508,854	2,733,012
Norwich Union	.	4,511,517	4,429,508	4,219,539	2,174,716	7,650,435	6,219,909	1,430,526
Ocean Marine	.	534,077	397,256	486,881	209,158	1,668,254	815,376	852,678
Pacific Coast	.	575,978	579,444	518,138	258,114	1,910,958	745,376	1,165,582
Palatine	.	1,309,032	1,226,514	1,145,953	529,004	3,719,112	1,434,873	2,284,239
Phoenix Assurance	.	5,204,270	4,851,470	4,725,026	2,553,560	8,764,170	6,039,799	2,724,371
Royal	.	14,530,424	13,035,553	12,755,739	5,850,140	28,990,506	17,284,500	11,706,006
Royal Exchange	.	4,235,681	4,039,110	3,962,906	2,005,887	8,244,410	5,383,730	2,860,680
Scottish Union and National	.	4,530,856	4,409,147	4,181,106	2,027,323	9,444,133	5,380,455	3,863,678
Sea	.	2,757,767	2,228,921	2,593,431	1,063,071	7,758,730	3,958,157	3,800,573
Standard Marine	.	2,822,686	2,222,857	2,482,559	1,030,879	6,845,111	2,970,707	3,874,404
State Assurance	.	815,356	779,694	760,257	377,068	1,767,515	1,064,966	702,549
Sun	.	5,491,324	5,179,029	5,256,125	2,605,007	9,823,527	7,497,199	2,326,328
'Switzerland' General	.	1,516,698	1,261,201	1,442,938	616,166	3,085,243	1,579,977	1,505,266
Thames and Mersey	.	1,359,207	1,290,863	1,216,972	558,705	3,857,308	1,900,002	1,957,306
Union Assurance	.	1,252,495	1,164,609	1,145,953	529,004	2,902,883	1,443,443	1,459,440
Union of Canton	.	3,166,591	2,661,625	2,460,184	1,014,721	6,346,848	3,646,091	2,700,757
Union Marine	.	1,615,717	1,353,669	1,455,218	601,428	4,516,836	2,411,987	2,104,849
Western Assurance	.	2,214,230	1,908,260	2,066,955	894,982	5,875,090	2,675,587	3,199,503
Yorkshire	.	2,195,567	2,362,840	2,001,490	1,252,413	4,705,573	3,536,130	1,169,443
Totals	.	\$131,989,494	\$122,364,176	\$120,122,120	\$56,925,869	\$283,330,830	\$166,496,461	\$116,834,369

Recapitulation

Massachusetts mutual companies other than manufacturers' (29 companies)	\$26,873,103	\$24,505,244	\$24,795,296	\$10,286,966	\$58,886,596	\$28,508,008	\$30,378,588
Mutual companies	90,394,445	80,929,644	83,680,362	31,559,050	165,136,964	96,608,567	68,528,297
(30 companies)	16,018,868	13,127,612	14,493,351	1,612,287	40,182,580	18,994,401	21,188,179
Massachusetts manufacturers' mutuals (5 companies)	31,853,890	25,022,134	28,424,221	3,417,636	77,722,369	37,969,386	39,753,923
Manufacturers' mutuals of other states (6 companies)	43,472,955	40,228,570	39,725,565	19,475,261	115,114,654	49,104,094	66,010,560
Massachusetts stock companies (7 companies)	1,089,114,607	971,574,778	952,207,279	439,559,100	2,332,574,999	1,271,898,722	1,660,670,277
Stock companies of other states (161 companies)	131,989,494	122,364,176	120,122,120	56,925,869	283,330,830	106,496,461	116,834,369
United States branches, companies of other countries (38 companies)							
Totals (276 companies)	\$1,429,717,362	\$1,277,752,158	\$1,263,448,194	\$562,836,169	\$3,672,948,832	\$1,669,579,639	\$2,003,369,193

TABLE 3.—Income during 1945

COMPANIES		INTEREST		Rents	Increase in Book Value and Profit on Sale of Assets	Other Sources	Total
Net Premiums Written	Mortgages	Stocks and Bonds	All Other Sources				
<i>Massachusetts Mutual Companies Other than Manufacturers'</i>							
Abington	\$334,373	\$138	\$12,509	\$3,760	\$2,400	\$6,947	\$3
Allied American	1,289,845	—	42,013	241	—	130	519
Associated Merchants	52,592	495	2,098	1,389	480	68	—
Attleborough	48,938	91	1,580	731	—	—	47
Barnstable County	110,410	—	17,395	1,324	300	1,768	1,050
Berkshire	995,429	456	29,220	2,459	4,800	15,505	11,239
Cambridge	763,082	2,669	31,982	2,579	—	14,369	190
Dorchester	347,072	2,245	19,025	883	270	1,723	283
Federal	793,123	—	17,042	50	—	5,385	16
Fitchburg	423,457	—	8,688	4,032	11,029	4,639	6,245
Groveland	—	—	—	—	—	—	653
Hingham	317,344	—	25,742	2,414	800	3,480	433
Holyoke	1,105,079	—	102,780	2,728	18,476	21,322	12,509
Lowell	263,432	—	10,035	199	—	743	—
Lumber	1,689,505	—	126,292	342	20,540	50,095	54,195
Lynn	324,150	1,757	15,348	232	1,228	1,768	43
Merchants and Farmers	217,563	798	11,078	—	—	2,853	334
Merrimack	2,402,801	3,672	74,334	6,142	15,200	18,346	6,068
Middlesex	1,223,588	13,729	74,683	1,480	13,900	7,353	248
Mutual Fire Assurance	24,802	1,881	12,338	32	—	1,627	6,553
Newburyport	3,778	—	2,334	358	—	2,145	162
Norfolk and Dedham	909,975	82	64,252	215	3,420	21,480	10,201
Pioneer	79,264	—	394	438	—	—	84,360
Quincy	1,794,874	—	151,390	870	9,000	131,399	247
Salem	106,847	—	3,635	—	—	3,648	20
Traders and Mechanics	670,600	120	43,892	—	—	4,787	6,841
United Mutual	7,555,326	—	267,962	8,986	—	97,225	5,662
West Newbury	—	—	—	—	—	—	4,776
Worcester Mutual	946,675	18,857	123,615	—	7,500	19,985	16,831
Totals	\$24,795,296	\$46,990	\$1,291,668	\$41,884	\$109,343	\$438,290	\$149,632
<i>Mutual Companies of Other States Other than Manufacturers'</i>							
Atlantic	\$8,292,261	—	\$408,551	\$962	\$397,167	\$577,510	\$33,861
Automobile	549,602	—	121,993	1,240	—	17,849	6,600
Central Manufacturers	6,381,701	\$15,079	238,053	483	15,900	153,423	34,612
Employers	804,567	—	19,473	617	—	417	1,756
Grain Dealers	4,125,630	2,080	115,892	263	16,772	83,877	15,580
Hardware Dealers	67,179,965	22	149,086	431	—	11,042	36,281
Hardware Mutual	4,899,526	—	177,255	—	44,693	60,642	84,264
Indiana Lumbermen's	3,135,183	3,419	118,031	—	41,587	79,033	1,977

Lumbermens Mutual	2,816,478	2,243	97,301	159	19,963	79,581	2,787	3,018,512
Manufacturers and Merchants	567,000	287	31,685			4,683	591,752	239,176
Merchants and Business Men's	507,205	35,491	38,523	5,406	4,861	1,291	591,752	1,244,459
Michigan Millers	2,606,523	7,397	98,162	17,129	61,720	44,525	3,835,700	334
Millers Mutual (Ill.)	2,538,369	380	93,973		14,440	72,488	2,714,064	634
Millers Mutual (Pa.)	1,788,315	5,865	47,636	2,148	10,320	2,175	1,871,959	
Millers Mutual (Texas)	1,608,038	6,094	51,773	32	9,195	23,878	1,599,030	
Millers National	4,531,749	—	123,782	2,067	1,251	82,716	4,741,372	
Mill Owners Mutual (Iowa)	2,780,058	619	86,663	4,576	13,511	105,076	2,990,601	
Mutual of Saco	149,504	—	3,810	108	3,000	3,186	159,082	
National Implement & Hardware	6,567,343	207	176,798	2,038	34,256	30,655	6,813,465	
National Retailers	3,959,696	5,866	56,623	1,221	17,470	25,839	4,109,589	
Northwestern Mutual	10,226,047	30,850	255,421	18,125	1,670	101,543	10,695,349	
Ohio Mutual	86,194	643	15,326	102	—	—	102,265	
Pawtucket Mutual	1,284,886	2,565	68,685	147	10,446	57,717	1,426,842	
Pennsylvania Lumbermens	2,486,136	8,195	80,965	550	4,540	55,507	2,665,899	
Pennsylvania Millers	1,493,311	—	139,354	168	8,520	12,069	1,653,422	
Phenix Mutual	161,601	—	16,582	47	—	3,394	181,624	
Providence Mutual	171,773	1,936	52,718	691	14,391	7,786	249,346	
Union Mutual	2,465,461	—	56,479	—	—	41,454	2,591,822	
Utica (Mutual)	286,642	2,178	5,339	90	2,273	8,333	3,690	
Vermont Mutual	638,998	—	25,604	941	8,400	2,314	40,634	
Totals	\$83,680,362	\$131,496	\$2,971,536	\$59,144	\$756,046	\$1,778,133	\$1,017,728	\$90,394,445
<i>Massachusetts Manufacturers' Mutuals</i>								
Arkwright	\$3,820,135	—	\$310,764	\$93	—	\$69,511	\$8,397	\$4,217,900
Boston Manufacturers	5,198,404	—	281,415	2,118	—	166,519	106,156	5,754,512
Corton and Woolen	2,788,046	—	211,050	30	—	81,824	2,971	3,083,927
Fall River Manufacturers	1,338,933	—	96,423	17	—	40,201	26,333	1,500,879
Worcester Manufacturers	1,338,933	—	83,820	14	—	24,512	19,333	1,461,632
Totals	\$14,493,351	—	\$977,472	\$2,268	—	\$382,567	\$163,210	\$16,018,868
<i>Manufacturers' Mutuals of Other States</i>								
Blackstone Mutual	\$4,397,473	—	\$270,767	\$39	—	\$93,188	\$4,640	\$4,766,107
Firemen's Mutual	5,633,014	\$812	358,181	1,374	\$2,069	378,830	—	6,374,880
Manufacturers Mutual	13,189,836	—	957,744	1,767	—	866,443	6,105	15,021,395
Philadelphia Manufacturers	1,455,743	—	98,686	58	—	39,721	3,906	1,598,114
Protection Mutual	1,846,015	—	100,096	—	—	19,133	77,397	2,042,641
What Cheer	1,902,140	—	125,503	318	—	20,005	2,287	2,050,253
Totals	\$28,424,221	\$812	\$1,910,977	\$3,556	\$2,669	\$1,417,320	\$94,335	\$31,853,890
<i>Massachusetts Stock Companies</i>								
Boston	\$7,194,393	\$1,063	\$904,280	\$1,672	\$99,725	\$35,868	\$19,377	\$8,316,378
Employers	5,594,959	—	214,983	2,581	—	48,683	2,042	5,863,248

* Assessments on premium notes

TABLE 3.—Income during 1945—Continued

COMPANIES	Net Premiums Written	INTEREST			Rents	Increase in Book Value and Profit on Sale of Assets	Other Sources	Total
		Mortgages	Stocks and Bonds	All Other Sources				
Massachusetts Stock Companies — Concluded								
Massachusetts Fire and Marine		—	\$136,473	—	—	\$27,817	\$78	\$992,093
New England		\$4,815	88,550	\$125	—	10,096	45	779,390
Old Colony		—	412,903	381	—	39,259	3,997	2,816,339
Sentinel		—	96,145	146	—	293,071	45	792,352
Springfield Fire and Marine		30,227	1,165,141	4,048	\$34,065		9,689	23,913,155
Totals	\$39,725,565	\$36,105	\$3,078,475	\$8,953	\$133,790	\$454,794	\$35,273	\$43,472,955
Stock Companies of Other States								
Aetna	\$36,453,635	—	\$1,879,987	—\$2,980	\$220,034	\$174,704	\$10,909	\$38,736,289
Agricultural	9,015,451	\$59,615	521,245	7,825	35,129	640,949	132,911	10,413,125
Albany	745,537	7,228	102,922	379	9,899	58,180	500	924,645
Allemania	2,176,032	16,752	171,098	417	17,240	93,185	9,339	2,486,063
Alliance (Pa.)	4,147,988	—	469,822	51	—	79,505	—	4,697,366
Allied Fire (Utica)	510,782	941	25,078	171	2,344	400	525	540,241
American (N. J.)	24,593,831	47,487	1,968,252	16,808	395,645	401,423	1,497,168	28,250,614
American Alliance	3,404,362	—	433,796	—	—	63,459	419	3,902,036
American Automobile	7,543,708	—	118,704	63	—	601,518	1,021	8,265,014
American Aviation	3,852,138	—	32,021	—	—	9,222	250,000	1,143,401
American Central	3,402,197	—	236,187	2,396	—	58,691	314	3,699,785
American Druggists	459,139	3,223	37,626	—	132,362	4,720	1,519	638,589
American Eagle	5,322,028	760	689,437	1,590	\$15,959	274,833	23,655	7,128,262
American Equitable	10,286,861	—	591,280	750	843,050	136,214	11,858,155	11,858,155
American and Foreign	2,594,696	—	243,730	338	—	69,574	245	2,908,583
American National	—	—	55,358	60	—	38,469	46,502	140,389
American Reserve	3,513,726	—	184,811	2,254	—	152,478	30,690	3,883,959
American Union	411,755	5,571	114,841	46	—	14,823	112	547,148
Anchor	1,031,012	—	95,790	10	—	93,586	—	1,220,398
Automobile	21,347,742	251	1,111,794	6,877	2,192	342,035	100,942	22,911,833
Baltimore American	2,859,589	—	273,871	170	6,700	132,539	3,892	3,276,761
Bankers and Shippers	3,685,379	—	206,998	1,053	—	383,426	674	4,277,530
Birmingham (Pa.)	251,969	11,320	67,169	498	2,840	35,830	1,667	371,293
Buffalo	3,067,792	17,624	164,780	3,821	70,933	8,241	1,962	3,335,053
Caledonian-American	719,375	830	53,672	222	—	30,201	28,829	826,129
California	2,068,065	368	138,808	624	83,441	104,538	4,824	2,300,512
Camden	9,200,625	35,995	490,057	922	33,800	5,024	106	10,036,767
Capital (Cal.)	667,718	—	61,623	4	8	66,460	419	734,483
Capital (N. H.)	49,311	1,979	14,068	388	—	3,701	—	1,287,592
Carolina	1,140,908	828	89,390	6	—	66,460	—	69,866
Centennial	1,363,240	—	52,308	21	—	2,486	281,307	1,699,362

Central (Md.)	1,643,989	817	154,538	14	29,383	330,498	2,159,239
Central States		307	71,586	50	—	7,909	79,852
Central Union		—	56,779	10	—	12,649	238,386
Charter Oak		—	68,538	—	—	—	926,284
Church Properties		—	93,726	—	—	—	151,194
Citizens (N. J.)		—	133,807	365	—	77,894	830,373
City of New York		—	213,285	344	—	149,712	2,600,432
Columbia (N. Y.)		—	138,685	548	—	5,543	1,571,247
Columbia (Ohio)		—	138,688	519	8,138	77,248	1,161,203
Commerce		2,084	165,155	645	—	170,445	2,678,653
Commercial Union (N. Y.)		—	103,553	852	—	18,775	1,764,694
Commonwealth		—	244,153	1,032	—	14,610	2,974,313
Concordia		16,123	152,330	591	600	71,363	2,683,998
Connecticut		9,079	859,700	948	—	175,398	9,361,960
Continental		—	5,127,251	30,922	55,237	1,241,331	38,346,007
County		—	108,557	—	—	1,055,468	980,694
Detroit Fire and Marine		477	149,069	6,379	3,690	13,479	1,693,293
Dixie		650	67,599	148	34,747	11,500	573,663
Dubuque Fire and Marine		—	123,405	6,959	1,063	154,446	3,667,330
Eagle (N. Y.)		1,358	81,572	150	—	2,115	878,639
East and West		—	142,329	—	—	40,298	1,502,397
Empire State		1,103	170,304	34	—	27,740	2,452,213
Equitable Fire and Marine		3,231	248,344	618	—	46,710	2,000,102
Excelsior		—	33,596	211	—	34,834	701,452
Export		—	24,641	—	—	23,278	407,168
Farmers (Pa.)		6,667	67,103	886	9,462	196,629	1,168,592
Federal		—	740,877	3,113	—	21,455	7,626,309
Federal Union		—	102,056	528	—	55,856	1,647,855
Fidelity and Guaranty		—	398,199	245	—	2,777	9,892,652
Fidelity-Phenix		—	4,187,303	4,691	20,056	4,471	30,563,850
Fire Association		14,296	783,571	14,778	165,132	942,824	12,693,928
Fireman's Fund		3,516	2,238,796	3,769	45,737	303,353	39,316,431
Firemen's (D. C.)		19,492	24,725	—	33,544	524,177	295,198
Firemen's (N. J.)		16,447	1,780,447	10,589	5,670	23,783	28,480,230
First American		—	190,353	1,770	—	4,144,697	1,381,021
First National		—	62,985	311	—	64,139	1,431,740
Franklin Fire		—	868,861	1,630	38,310	3,023	1,444,686
Franklin National		—	111,024	166	—	30,239	10,940,984
Fulton		—	54,679	—	—	988	937,598
General Exchange		—	615,009	473	—	1,442,573	6,604,712
General Insurance		29	863,798	6,351	79,547	75,974	17,208,896
Gibraltar Fire and Marine		—	146,364	27	—	82,494	1,883,233
Glad Fire and Marine		13,427	159,427	636	24,199	2,393	2,840,838
Globe and Republic		18,284	979,088	21,256	106,359	194,197	14,786,429
Globe and Rutgers		—	221,892	150	2,880	224,430	4,998,910
Globe State		—	396,165	435	—	295,280	5,361
Great American		320	168,645	10	5,480	341,736	5,119,831
Granite State		—	2,120,829	31,669	—	21,058	2,542,114
Gravel		—	654,235	—	362,237	306,079	24,130,220
Hanover		—	4,458,411	3,396	1,092,404	719,816	12,243,151
Harford		29,582	4,351,627	52,851	228,128	8,135	66,548,828
Home		13,820	334,434	56,745	3,012,806	3,055,991	85,577,392
Home Fire and Marine		—	115,993	525	512,065	136,377	6,510,046
Homeland		—	—	271	—	68,702	1,842,862

TABLE 3.—Income during 1945—Continued

COMPANIES	Net Premiums Written	INTEREST		Rents	Increase in Book Value and Profit on Sale of Assets	Other Sources	Total
		Mortgages	Stocks and Bonds				
<i>Stock Companies of Other States — Concluded</i>							
Homestead	\$1,434,332	—	\$121,398	—	\$102,280	\$15,291	\$1,673,307
Imperial Assurance	1,615,179	—	142,485	—	102,283	2,587	1,862,723
Insurance Co. of North America	42,821,608	\$848	5,594,503	\$672,479	500,842	8,819,051	58,412,688
Insurance Co. of State of Pa.	5,917,924	—	173,917	4,920	157,778	1,529	2,155,399
Inter-Ocean	2,913,742	19,486	103,390	14,569	8,365	971	3,004,301
Jersey	2,354,548	493	125,146	672	392,356	223	2,843,438
Lumbermen (Pa.)	1,732,818	3,710	177,669	297	141,392	292	2,056,406
Manhattan Fire and Marine	1,494,324	—	101,416	86	18,275	860	1,615,161
Mechanics and Traders	313,557	—	143,584	213	24,189	4	481,547
Mercantile	1,666,535	—	143,577	82	83,894	383	1,894,471
Merchants (N. Y.)	2,979,046	—	233,238	309	17,177	705	2,930,475
Merchants and Manufacturers	4,728,698	6,852	878,174	226	241,828	92,549	5,956,386
Merchants (Colorado)	2,684,009	—	157,888	90	196,505	4,213	3,042,877
Mercury	1,224,003	16,212	72,185	444	89,648	22,296	1,424,788
Michigan Fire and Marine	4,126,114	—	286,700	326	8,182	9,848	4,431,996
Milwaukee Mechanics'	2,632,223	2,131	164,312	3,739	47,921	180	2,850,506
Minneapolis Fire and Marine	6,623,537	34,436	407,135	1,995	352,050	1,163	7,482,739
National Fire	—	219	89,942	—	21,681	—	111,842
National-Ben Franklin	22,434,122	7,335	1,253,281	3,127	355,378	4,796	24,165,898
National-Grange	2,440,951	12,307	150,615	702	81,215	668	2,709,038
National Liberty	215,081	288	15,345	50	7,507	48	238,419
National Reserve	8,713,925	1,303	830,974	602	375,396	9,024	9,935,524
National Security	1,441,277	—	62,980	1,796	58,975	12,960	1,578,988
National Union	12,552,797	—	885,403	36	20,124	20,675	14,029,290
Newark	4,814,450	30,666	364,873	12,776	349,417	411,469	14,029,290
New Brunswick	2,359,831	908	190,319	76	97,038	2,075	2,779,420
New Hampshire	7,422,638	52	720,711	266	153,237	23,737	7,745,370
New York Fire	4,922,524	859	317,175	738	100,179	223,260	5,475,078
New York Underwriters	2,545,792	500	315,810	276	207,560	5,453,429	2,934,084
Niagara	7,989,875	—	1,292,042	1,443	51,416	19,123	9,886,907
North American Fire and Marine	67,185	—	49,175	1,536	602,731	723	118,766
Northern (N. Y.)	5,845,938	1,630	417,637	125	170,562	16,556	6,452,448
North River	9,083,581	4,448	961,374	2,754	229,714	394	10,283,265
Northwestern Fire and Marine	968,210	2,128	108,762	5,300	12,154	25,072	1,121,626
Northwestern National	5,829,728	23,611	684,806	882	312,171	18,850	6,917,458
Ohio Farmers	4,036,218	2,446	168,221	2,648	57,213	8,707	4,499,709
Orient	2,501,494	—	113,365	—	28,802	1,000	2,664,459
Pacific	4,197,237	238	265,086	1,245	570,846	2,045	5,039,499
Pacific National	5,283,208	—	347,321	152	104,866	4,876	5,781,523
Patriotic	1,470,321	—	120,611	36	15,265	11	1,606,244
Paul Revere	1,424,173	1,495	155,159	—	116,554	—	1,697,387
Pennsylvania	6,050,435	—	531,863	1,505	31,829	3,122	6,618,754

Philadelphia Fire and Marine	2,329,433	—	256,730	237	—	32,559	50	2,619,009
Philadelphia National	730,333	—	102,319	24	900	76,199	275	910,140
Phoenix	14,112,809	12,876	2,104,423	25,783	96,570	406,447	472	16,779,380
Piedmont	2,598,831	—	96,174	1,721	—	3,303	1,125	2,724,826
Potomac	3,849,384	473	188,164	127	—	21,392	49	4,054,589
Providence	10,040,842	—	558,327	568	20,000	390,928	44,360	11,055,025
Providence Washington	1,578,586	—	87,199	9	—	9,516	58	1,675,368
Quaker City	841,285	—	63,363	—	—	51,637	59	956,344
Queen	12,355,523	172	818,160	1,437	—	297,394	2,722	13,475,408
Reliance	1,180,778	1,172	145,082	995	7,821	102,571	32,316	1,470,735
Richmond	1,358,748	9,209	191,912	375	5,437	91,441	1,027	1,658,139
Rochester American	1,516,712	—	199,652	—	—	64,853	157	1,781,374
Safeguard	1,125,574	—	108,211	—	—	1,313	5	1,235,108
Safeguard Fire and Marine	1,369,960	—	79,861	—	—	96,459	571	1,545,951
Seaboard	591,930	262	45,865	—	—	6,853	63	644,978
Security	7,514,400	9,687	411,736	1,775	86,152	59,322	188,131	8,271,203
Standard (Conn.)	3,245,056	—	228,126	810	—	34,594	23,175	3,531,761
Standard (N. J.)	1,192,802	16,317	93,612	8	6,932	17,691	5,857	1,333,219
Standard (N. Y.)	4,669,541	—	221,463	630	—	21,995	1,081	4,914,710
Star	3,556,165	—	206,501	877	—	79,739	411	3,843,683
St. Paul Fire and Marine	21,902,156	9,309	2,298,886	50,087	148,850	140,840	195,040	24,745,168
Sun Underwriters	903,238	—	61,038	—	—	7,249	7	971,556
Transcontinental	769,170	—	113,605	520	—	37,484	79	990,858
Travelers	24,394,248	—	850,179	5,326	—	83,687	13,894	25,347,334
United Firemen's	1,753,291	3,389	154,662	1,173	4,083	144,439	1,908	2,062,945
United States Fire	15,408,191	4,749	1,349,625	22,195	113	309,138	43,341	17,137,352
Universal	1,366,297	—	94,821	—	—	12,125	19,112	1,492,355
Vigant	1,350,821	—	81,031	—	—	3,597	11,301	1,467,750
Virginia Fire and Marine	1,465,252	188	94,146	—	6,500	28,431	2,382	1,578,109
Washington Assurance	3,029,980	3,784	79,416	—	108	37,431	10	453,729
Western Assurance	9,726,947	10,977	730,308	17,443	—	213,856	45,603	10,745,134
Western National	2,445,825	—	132,351	187	—	55,319	5,877	2,699,559
World Fire and Marine	2,901,038	—	201,303	-634	—	1,012	1,169	3,103,888
Zurich	920,623	—	60,084	—	—	16,962	291	997,960
Totals	\$952,207,279	\$639,346	\$77,784,137	\$495,392	\$5,668,723	\$31,775,933	\$20,543,797	\$1,089,114,607
<i>United States Branches, Companies of Other Countries</i>								
Alliance Assurance	\$1,631,106	—	\$110,080	—	—	\$14,560	\$54,522	\$1,860,268
Atlas Assurance	4,363,393	—	218,722	\$74	—	108,065	4,126	4,694,380
British America	740,962	—	93,233	215	—	15,157	209	849,254
British and Foreign Marine	2,180,226	—	142,645	1,842	—	15,157	211,309	2,551,179
British General	489,570	—	44,749	1,175	—	2,575	44	538,113
Caledonian	3,005,641	—	124,784	106	\$18,720	63,156	40,998	3,252,505
Century	2,072,551	—	202,161	18	—	215,776	104	2,490,610
Commercial Union Assurance	8,289,489	—	383,327	1,701	180,623	84,164	190,124	9,129,428
Eagle Star	842,677	—	133,361	666	—	29,023	22,600	1,028,327

TABLE 3.—Income during 1945—Concluded

COMPANIES	Net Premiums Written	INTEREST			Rents	Increase in Book Value and Profit on Sale of Assets	Other Sources	Total
		Mortgages	Stocks and Bonds	All Other Sources				
United States Branches, Companies of Other Countries—Concluded								
Indemnity Marine	\$922,685	—	\$36,432	\$3	—	\$3,113	\$5,488	\$967,721
Law Union and Koek	828,980	—	75,341	—	—	13,140	13,140	922,610
Liverpool and London and Globe	11,916,196	—	589,931	1,803	—	155,694	130,402	12,794,026
London Assurance	5,200,489	—	286,769	2,083	—	7,186	134,261	5,631,126
London & Lancashire	3,683,715	\$338	221,960	—	—	26,181	34	3,931,890
London and Scottish	409,754	—	42,932	2	—	787	1,165	454,640
Marine	2,611,018	—	157,690	—	—	6,413	84,956	2,860,077
Netherlands	1,111,293	—	45,733	90	—	65,065	100,148	1,322,329
North British and Mercantile	8,724,648	—	491,948	1,308	—	19,808	106,390	9,344,102
Northern Assurance	6,165,357	—	230,707	690	\$105,370	219,132	6,727,436	
Norwich Union	4,219,539	—	213,823	16	15,600	39,408	23,131	4,511,517
Ocean Marine	486,881	—	33,106	—	—	—	14,090	534,077
Pacific Coast	518,138	—	53,145	7	—	4,687	1	575,978
Palatine	1,145,953	—	128,365	2,103	—	30,420	2,191	1,309,032
Phoenix Assurance	4,799,026	—	241,618	272	19,795	213,047	512	5,204,270
Royal	12,766,739	—	638,459	924	98,139	174,363	861,800	14,530,424
Royal Exchange	3,962,906	—	173,441	5	—	49,171	50,158	4,235,681
Scottish Union and National	4,181,106	13,634	250,881	166	13,950	65,952	5,167	4,530,856
Sea	2,593,431	—	154,181	74	—	69	10,032	2,757,767
Standard Marine	2,482,559	—	130,548	—	—	14,900	174,679	2,822,686
State Assurance	760,257	—	47,259	—	—	6,546	1,294	815,356
Sun	5,256,125	—	203,493	127	—	25,216	8,363	5,491,324
"Switzerland" General	1,442,938	—	59,469	1,460	—	4,346	6,485	1,516,698
Thames and Mersey	1,216,972	—	89,336	—	—	13,227	39,672	1,359,207
Union Assurance	1,145,953	—	87,586	208	—	14,874	3,871	1,253,495
Union of Canton	2,460,184	—	114,815	1,556	—	7,059	582,977	3,166,591
Union Marine	1,455,218	—	100,654	21	—	50,212	9,612	1,615,717
Western Assurance	2,066,955	—	121,715	259	—	24,848	453	2,214,230
Yorkshire	2,001,490	185	86,366	—	—	51,257	56,269	2,195,567
	\$14,157	\$14,157	\$6,580,745	\$18,974	\$452,197	\$1,845,451	\$2,955,850	\$131,989,494

TABLE 4.—*Net Premiums Written during 1945*

COMPANIES	Fire	Extended Coverage	Tornado, Cyclone, and Hail (except growing crops)	Sprinkler Leakage	Riot, Civil Commotion and Explosion	Earthquake	Hail (growing crops only)	Motor Vehicles	Ocean Marine	Inland Navigation and Transportation	Aircraft	Ocean Marine (War Risk only)	All Other
<i>Massachusetts Mutual Companies</i>													
<i>Other than Manufacturers'</i>													
Ahington	\$289,476	\$23,781	\$568	\$996	\$205	\$39	—	\$19,300	—	—	\$8	—	—
Allied American	212,428	29,456	1,761	2,238	149	11	—	1,023,817	—	\$9,319	8,114	—	—
Associated Merchants	42,412	2,257	—	76	—	—	—	9,377	—	1,470	—	—	—
Artleborough	42,853	3,032	9	—	—	2	—	3,050	—	—	—	—	—
Barnstable County	101,789	8,621	2,386	3,389	609	—	—	—	—	—	—	—	—
Berkshire	688,601	50,775	—	—	—	34	—	235,160	—	14,462	13	—	—
Cambridge	599,185	54,176	1,072	137	137	63	—	107,190	—	3	11	—	—
Cheshire	22,241	22,241	444	715	3	7	—	23,711	—	—	—	—	—
Dorchester	308,012	22,241	1,321	3,600	2,035	—59	—	238,707	—	41,394	1,339	—	—0,061
Federal	463,010	41,776	207	849	—	94	—	109,800	—	—	8	—	—
Fitchburg	291,372	21,127	—	—	—	—	—	—	—	—	—	—	—
Groveland	565	—	—	—	—	—	—	—	—	—	—	—	—
Hingham	289,760	26,736	81	692	56	9	—	—	—	—	10	—	—
Holyoke	735,033	71,705	1,710	2,124	—	109	—	294,398	—	—	—	—	—
Lowell	185,819	13,205	371	220	21	17	—	63,776	—	—	3	—	—
Lumber	1,416,504	120,438	24,883	11,288	3,147	1,431	—	39,211	—	33,277	50	—	39,141
Lynn	213,582	18,341	214	537	47	35	—	94,332	—	—	7	—	—3,445
Merchants and Farmers	214,089	18,504	276	585	47	230	—	33,114	—	—	18	—	—49,300
Merrimack	1,644,043	180,454	20,693	5,488	1,019	131	—	549,490	—	1,453	30	—	—
Middlesex	849,614	72,738	768	2,102	186	140	—	311,761	—	—	29	—	—13,750
Mutual Fire Assurance	21,892	2,910	—	—	—	—	—	—	—	—	—	—	—
Newburyport	3,778	—	—	—	—	—	—	—	—	—	—	—	—
Norfolk and Dedham	674,704	75,221	4,768	1,607	430	74	—	152,710	—	—	18	—	443
Pioneer	28,559	1,518	—	—	—	—	—	47,403	—	1,784	—	—	—
Quincy	1,380,584	113,288	1,330	9,481	—	272	—	283,019	—	—	—	—	—
Salem	91,601	6,239	36	241	22	—	—	8,705	—	—	3	—	—
Traders and Mechanics	524,216	43,924	818	3,518	18	65	—	98,029	—	—	12	—	—
United Mutual	4,212,161	570,683	26,776	26,460	5,990	12,008	—	2,010,873	—	637,022	3,293	—	—
West Newbury	807	—	—	—	—	—	—	—	—	—	—	—	—
Worcester Mutual	691,783	86,324	572	3,572	818	157	—	163,427	—	—	22	—	—
Totals:	\$16,224,614	\$1,879,515	\$91,064	\$81,023	\$14,939	\$14,929	—	\$5,924,460	—	\$790,184	\$12,988	—	—\$33,420
<i>Mutual Companies of Other States</i>													
<i>Other than Manufacturers'</i>													
Atlantic	—	—	—	—	—	—	—	—	—	—	—	—	—
Automobile	\$1,321,319	\$119,536	\$5,898	\$25,969	\$8,500	\$4,846	—	\$173,155	\$4,420,782	\$1,611,898	—	\$600,358	—
Central Manufacturers	3,965,415	670,510	68,072	22,682	10,786	8,372	—	1,069,743	209,076	403,119	—	9	—\$46,083

TABLE 4.—*Nel Premiums Written during 1945—Continued*

COMPANIES	Fire	Extended Coverage	Tornado, Cyclone, Hail (except growing crops)	Riot, Civil Commotion and Explosion	Earthquake	Hail (growing crops only)	Motor Vehicles	Ocean Marine	Inland Navigation and Transportation	Aircraft	Ocean Marine (War Risk only)	All Other
<i>Massachusetts Stock Companies</i>												
Boston	\$4,065,191	\$590,052	\$74,246	\$21,466	\$7,783	—	\$692,087	\$1,076,940	\$547,645	\$363	\$89,912	\$8,677
Employers'	2,119,277	393,336	34,959	7,948	3,799	—	2,357,004	—	661,468	10,448	—	548
Mass. Fire and Marine	500,000	5,151	14,502	5,151	10,611	\$56,411	46,194	—	33,646	11,531	—	—
New England	335,727	58,554	12,913	2,398	616	61,209	71,187	5,469	86,405	2,193	2,538	374
Old Colony	1,324,242	289,072	21,625	5,183	2,375	—	240,045	324,869	523,424	141	30,966	1,251
Sentinel	358,726	38,880	12,929	2,399	616	61,210	69,887	5,469	52,708	2,193	2,539	375
Springfield Fire and Marine	13,114,697	2,000,913	433,618	81,949	20,944	2,081,133	2,421,645	185,947	1,792,054	76,269	86,307	12,733
Totals:	\$21,985,869	\$3,396,627	\$610,792	\$126,094	\$38,066	\$2,259,963	\$5,893,049	1,598,694	\$3,363,653	\$103,138	\$212,262	\$23,958
<i>Stock Companies of Other States</i>												
Aetna	\$18,937,152	\$2,504,793	\$694,595	\$108,976	\$47,701	\$1,888,201	3,052,392	\$2,180,423	\$4,107,622	\$119,463	\$2,643,457	\$10,631
Agricultural	5,428,077	761,588	102,134	29,755	9,995	20,702	1,177,719	841,862	436,866	47,891	112,157	—
Albany	508,045	76,958	9,055	1,523	1,724	—	103,609	—	42,364	39	626	18
Allennan	1,443,616	242,013	31,513	6,062	4,149	54,595	189,916	118,293	86,405	42	—	—
Alliance (Pa.)	2,148,065	293,182	27,408	14,534	2,775	—	385,735	386,559	521,563	7,117	109,769	4,667
Allied Fire (Utica)	270,965	34,825	1,295	3,906	—	—	2,362,626	—	—	—	—	—
Allied Fire (N. J.)	15,285,096	2,358,500	549,047	63,799	43,284	774,499	1,708,472	1,251,744	2,159,900	43,635	275,043	784
American Alliance	2,171,904	305,161	49,770	17,086	6,087	232,053	223,224	95,738	166,101	57,652	153	—
American Automobile	—	—	—	—	—	—	7,294,451	—	249,257	—	—	—
American Aviation	229,578	49,754	1,486	6	1,494	—	—	—	437,947	36,812	—	104
American Central	2,137,427	335,547	47,711	10,325	3,536	—	413,287	—	—	5,164	—	—
American Eagle	440,216	18,923	—	—	—	—	—	—	—	—	—	—
American Druggists	2,752,814	337,662	44,130	23,928	8,485	65,551	582,103	973,730	414,707	15,493	94,826	—
American Equitable	7,808,214	1,001,470	155,884	40,675	34,875	136,671	432,366	101,690	460,679	5,263	9,652	—
American National	1,303,495	182,513	13,042	11,087	5,778	1,083	181,730	569,596	135,193	31,005	155,168	—
American Reserve	2,810,038	241,675	58,260	12,046	20,976	60,897	37,249	95,347	109,125	9,842	44,300	—
American Union	335,588	70,067	4,513	165	111	—	—	—	272,888	26	—	—
Anchor	402,679	68,421	4,564	1,898	1,258	—	216,402	61,873	972,488	49*	736	—
Automobile	6,280,527	991,774	95,015	27,249	7,136	—	5,454,634	2,367,077	4,402,742	103,704	1,584,404	2,014
Baltimore American	1,839,519	246,945	36,851	41,865	7,136	—	389,963	34,181	222,422	—	19,076	1,406
Bankers and Shippers	1,982,022	340,542	34,043	14,320	10,478	—	1,017,892	50,394	233,458	102	—	—
Birmingham (Pa.)	228,520	22,836	2	62	—	—	460	—	303	—	—	—
Buffalo	2,036,456	355,038	15,474	5,883	7,181	—	481,078	53,328	95,072	—	—	—
Caledonian-American	475,249	73,484	6,921	1,638	2,955	—	119,172	—	30,090	66	—	64
California	1,296,828	204,588	29,090	6,295	2,155	—	251,997	—	267,041	2,149	—	—

Camden	5,255,495	772,718	101,893	22,275	24,647	12,346	136,706	1,588,831	218,025	995,380	675*	5	60,759
Capital (Cal.)	407,342	57,035	4,075	3,465	1,564	1,806	338	56,791	69,064	38,025	9,689	18,524	-46
Capital (N. H.)	2,994	2,994	-	-	-	14	-	6,488	-	-	-	-	515
Carolina	670,483	91,340	20,205	15,361	2,823	1,427	-	259,850	701,412	78,904	-	-	179
Centennial	215,410	9,903	-45	-	1,170	811	-	46,575	32,213	385,852	593	9,147	2,383
Central (Md.)	1,071,114	146,591	13,704	7,297	13,130	1,387	110,178	192,868	-	43,404	-	-	-
Central States	-	-	-	-	-	-	-	-	-	-	-	-	-
Central Union	-	-	-	-	-	-	-	-	-	-	-	-	-
Central Union	146,641	20,638	2,766	-364	539	-1,318	-	-	-	136,365	4,191	26	-
Central Union	565,138	104,739	7,987	3,111	5,390	794	-	-	-	-	-	-	-
Church Properties	44,158	3,112	2,130	-	-	-	-	-	-	-	-	-	-
Citizens (N. J.)	460,078	38,374	6,834	2,278	4,472	190	-	38,101	80,937	31,893	589	22,943	57
City of New York	1,521,098	206,813	45,881	34,911	6,907	3,277	-	259,892	15,825	129,944	44,577	8,831	1,171
Columbia (N. Y.)	896,065	129,580	9,985	5,139	3,801	2,228	-	187,222	-	79,496	-	-	-
Columbia (Ohio)	636,022	100,352	23,363	2,715	3,491	1,842	-	72,616	-	61,820	-	-	33
Commerce	1,293,039	188,542	19,324	5,439	7,672	3,101	-	297,591	207,999	234,281	7,474	62,670	19,683
Commonwealth	1,025,911	163,240	23,196	5,000	5,422	1,700	-	201,374	-	213,632	2,510	-	31
Commonwealth (N. Y.)	1,593,458	293,566	31,299	8,870	13,442	1,458	-	360,925	130,763	306,828	5,993	13,217	5,522
Concordia	1,399,068	226,376	37,382	2,960	2,960	2,774	798	909,479	137,357	137,357	4,994	23,967	-
Connecticut	4,694,783	702,226	93,173	20,849	23,088	10,486	72,577	707,110	617,000	1,378,331	41,570	136,858	-
Continental	18,357,337	2,290,733	1,123,456	94,145	10,611	60,210	1,418,158	2,359,290	3,496,589	2,255,296	53,119	344,627	-
County	589,300	85,554	14,502	5,151	10,675	1,933	56,411	46,194	-	33,646	11,531	-	-
County	1,023,865	146,587	24,456	8,598	15,498	3,151	112,821	91,838	-	66,867	23,061	46	16
Detroit Fire and Marine	318,011	50,181	11,682	1,357	1,745	921	16,479	36,308	-	30,910	-	-	-
Dubuque Fire and Marine	1,856,567	394,244	28,675	3,537	10,132	12,018	-	744,081	27,058	286,667	-	-	-
Eagle (N. Y.)	557,415	77,631	6,406	1,725	2,081	1,943	4	81,440	-	36,223	41	-	-
East and West	721,579	106,153	10,821	3,591	256	864	-	175,572	78,311	199,369	1,008	19,011	70
Empire State	1,357,019	190,397	25,533	7,439	11,669	2,499	5,175	294,430	210,466	109,216	11,973	28,047	-
Equitable Fire and Marine	928,957	140,445	19,035	5,370	4,612	2,097	14,575	153,422	123,400	275,666	8,314	27,377	-
Excelsior	452,126	62,979	5,436	1,456	287	-	-	52,899	-	1,169	-	-	-
Export	22,768	2,516	697	-1	-	-	-	-	2,444	71,739	-	76,858	-
Farmers (Pa.)	935,106	105,801	8,987	4,421	1,620	1,716	-	-	-	4,371	18	-	-
Federal	1,004,054	103,924	14,584	7,928	4,328	968	-	2,097,259	2,023,888	925,620	53,603	459,372	-
Federal Union	936,887	131,181	9,373	7,969	3,598	4,153	778	130,619	135,492	86,706	22,285	36,940	-
Fidelity and Guaranty	3,551,506	737,001	47,835	11,900	13,304	8,994	-	3,925,546	-2,776	861,397	60,480	36,940	-
Fidelity-Phoenix	13,854,053	1,635,275	924,874	73,414	86,129	38,922	1,019,972	2,032,564	3,412,875	1,898,745	53,119	340,169	-
Fire Association	7,122,688	878,230	79,505	30,915	52,802	17,368	-	1,375,802	536,375	1,122,704	501	200,726	-
Freeman's Bond	11,703,764	1,696,183	142,778	63,186	69,543	35,381	181,911	2,803,649	5,995,990	3,995,375	53,642	8,163,292	1,373,925
Freeman's Bond (C.)	201,935	18,503	-	-	-	-	-	-	-	-	-	-	-
Freeman's Bond (C.)	11,967,150	2,026,084	320,598	25,282	25,363	23,775	6,842	4,366,039	697,533	1,179,319	25,152	222,488	-
First American	676,627	107,313	15,845	8,520	1,477	1,026	46,127	247,066	-	68,440	-	-	-
First National	928,761	302,656	11,869	662	1,510	140	-	122,441	-	68,604	-	-	8,204
Franklin Fire	6,000,070	793,482	181,409	192,003	31,604	13,233	-	867,297	189,895	1,202,193	1,116	105,976	4,451
Franklin National	480,996	66,934	20,402	2,007	2,476	618	-	119,871	3,152	66,797	-	2,801	-
Fulton	-	-	-	-	-	-	-	-	-	-	-	-	-
General Exchange	9,287,052	1,867,678	100,952	29,250	47,699	99,581	-	4,540,240	607,791	1,302,488	-	259	31,311
General Insurance	1,032,366	141,050	31,286	23,803	4,142	2,388	-	2,606,612	-	118,363	-	-	796
Gibraltar Fire and Marine	1,405,658	236,376	37,393	2,960	2,959	2,774	798	509,476	81,379	113,363	2,094	25,997	-
Grand Fire and Marine	7,270,553	1,068,403	109,591	30,820	43,472	17,575	808	1,686,344	1,178,661	1,337,594	355,131	111,589	-
Globe and Republic	3,432,042	683,570	17,641	17,347	15,110	50,946	13,116	183,608	43,013	197,231	2,210	4,052	-
Globe and Rutgers	2,325,683	420,210	75,040	5,703	6,095	3,116	226,396	515,365	517,692	145,556	117	132,161	-

* Includes motor vehicle property damage.

TABLE 4.—*Net Premiums Written during 1945*—Continued

COMPANIES	Fire	Extended Coverage	Tornado, Windstorm, Cyclone, Hail (except growing crops)	Sprinkler Leakage	Riot, Civil Commotion and Explosion	Earthquake	Hail (growing crops only)	Motor Vehicles	Ocean Marine	Inland Navigation and Transportation	Aircraft	Ocean Marine (War Risk only)	All Other
<i>Stock Companies of Other States</i>													
— Concluded													
Granite State	\$1,703,542	\$193,102	\$19,581	\$5,232	\$5,491	\$1,528	—	\$333,160	—	\$84,572	\$185	—	—
Great American	12,107,336	1,546,505	233,574	74,316	20,184	23,135	—	1,751,487	\$1,383,733	1,281,100	440,689	\$222,331	—
Hanover	5,518,238	872,375	189,761	23,708	38,027	23,352	—	1,377,636	662,600	892,772	23,283	151,275	—
Hartford	32,078,965	4,662,965	1,692,254	146,942	163,660	37,252	—	7,467,709	2,448,184	6,250,093	115,388	3,504,750	\$166,641
Home	43,767,184	6,023,624	1,437,074	923,738	203,124	100,714	—	6,253,805	3,673,200	6,682,096	711,659	960,387	161,521
Home Fire and Marine	2,583,048	354,612	31,592	13,930	15,354	7,811	40,086	418,987	703,400	470,043	6,376	8,937	7,853
Homeland	1,014,182	194,676	22,415	2,960	3,675	—	—	237,616	87,279	143,878	1,407	8,831	656
Homestead	1,632,379	23,756	23,756	19,584	3,165	1,322	—	236,503	15,325	123,661	—	—	—
Imperial Assurance	1,070,157	146,048	10,957	5,931	4,162	2,449	—	236,503	—	93,941	55,031	—	—
Insurance Co. of No. America	19,122,244	2,606,059	243,625	129,193	233,415	24,664	1,958,713	3,428,754	5,668,539	7,644,584	104,385	1,609,952	41,481
Insurance Co. of State of Pa.	976,986	186,477	20,423	526	652	1,200	34,111	253,151	—	343,494	4	—	—
Inter-Ocean	1,979,703	348,080	135,349	3,908	22,129	15,480	194,169	9,167	49,723	155,939	95	—	—
Lumbermen	1,266,292	217,668	21,750	9,149	1,360	6,694	—	650,330	32,196	149,154	65	—	—
Lumbermen (Pa.)	1,096,714	140,517	12,721	4,946	8,334	2,779	—	220,128	36,262	179,633	95	30,689	—
Manhattan Fire and Marine	1,081,715	146,308	19,258	3,786	3,462	4,13	—	165,556	—	66,926	—	—	—
Maryland	14,980	38,030	2,103	2,117	4,559	4,252	124,730	120,441	—	19,967	—	—	—
Mechanics and Traders	1,042,062	145,032	44,206	4,349	5,365	1,339	—	259,720	11,163	144,726	2,505	6,068	—
Merchants	1,528,564	255,878	15,665	13,480	9,165	534	—	353,640	130,764	342,372	749	14,998	—
Merchants (N. Y.)	2,948,543	532,350	61,996	5,801	2,099	15,976	—	529,652	455,421	91,488	22,131	62,872	369
Merchants and Manufacturers	2,059,226	261,342	41,146	10,585	10,408	9,066	34,168	110,165	25,808	118,338	1,326	2,431	—
Merchants (Colorado)	854,820	188,820	30,230	1,083	1,375	7,126	—	116,702	—	23,859	3	—	—
Mercury	2,196,308	330,705	83,950	11,548	9,830	8,071	331,470	677,396	21,876	476,836	—	1,498	—
Michigan Fire and Marine	1,542,905	235,402	51,718	9,594	7,434	2,464	244,839	284,747	210,829	210,829	8,773	10,154	—
Milwaukee Mechanics	3,799,097	641,593	101,494	8,006	8,082	7,529	2,166	1,352,864	220,885	373,451	7,963	70,455	—
Minneapolis Fire and Marine	—	—	—	—	—	—	—	—	—	—	—	—	—
National Fire	14,028,943	1,052,352	505,075	58,550	72,211	18,026	—	3,406,928	150,273	1,948,238	32,540	81,686	—
National Ben Franklin	1,399,668	236,376	37,393	2,950	2,959	2,774	798	503,476	81,379	137,567	2,934	25,957	—
National Grange	73,478	—	—	—	—	—	—	138,193	—	3,410	—	—	—
National Liberty	5,893,689	783,616	179,342	132,437	37,153	13,478	—	807,116	92,416	659,932	—	51,575	4,451
National Reserve	793,671	168,962	12,290	1,516	4,342	5,151	—	318,892	11,596	122,857	—	—	—
National Security	48,864	4,568	4,568	2,422	4,377	4,663	36,726	64,289	128,853	173,854	2,372	36,590	778
National Union	1,431,205	181,377	35,773	3,772	49,722	14,063	161,295	1,345,662	339,234	1,484,659	92,213*	354,980	—
Newark	3,023,886	410,654	29,943	24,947	11,263	13,002	2,436	431,215	411,221	270,710	69,761	111,012	—
New Brunswick	1,515,988	46,061	46,061	34,911	6,877	3,566	—	389,782	15,925	129,941	—	—	—
New Hampshire	5,320,680	661,972	78,798	17,356	23,389	15,350	56,946	646,073	143,726	359,038	60,996	8,531	1,171
New York Fire	3,800,732	479,467	77,279	19,306	19,558	16,498	25,804	191,991	44,556	209,006	72,260	4,123	—
New York Underwriters	1,615,420	194,009	7,052	7,052	10,607	3,349	25,804	211,699	289,789	107,538	2,252	76,478	67
Niagara	5,522,916	692,789	78,031	46,721	21,095	31,304	244,775	967,578	—	353,131	—	31,235	—
North American Fire and Marine	53,150	6,425	818	497	384	326	70	1,089	—	3,212	1,214	—	—
Northern (N. Y.)	3,583,703	606,539	87,671	9,101	9,458	4,703	—	1,414,253	1,314,184	126,835	—	—	675
North River	4,905,539	816,798	138,288	21,251	19,581	16,772	529,901	416,328	—	647,668	39,501	216,868	902

Northwestern Fire and Marine	606,425	69,109	21,585	2,893	4,531	475	—	95,253	67,447	79,732	1,472	19,120	78
Northwestern National	3,804,599	817,143	132,135	1,029	3,160	6,756	—	699,824	103,675	246,166	—	10,241	—
Ohio Farmers	2,221,898	424,287	94,315	2,867	2,090	8,437	1,471	1,211,291	—	69,732	—	—	—
Orient	1,754,290	277,068	27,534	14,222	17,212	9,640	—	386,513	—	44,281	102	—	693
Pacific	2,257,303	387,839	35,772	16,309	2,424	11,933	—	1,150,266	57,393	265,882	116	—	—
Pacific National	3,112,737	719,794	44,304	10,792	27,601	26,201	396	532,121	120,308	689,499	637	2,798	—
Patriotic	4,467,337	113,279	12,937	4,230	5,969	3,777	—	199,663	—	180,934	35	—	—
Paul Revere	916,764	124,924	27,637	20,946	3,528	2,095	—	173,262	15,825	129,078	—	8,831	703
Pennsylvania	3,656,082	700,016	40,150	16,182	18,984	4,776	—	784,139	261,527	525,513	10,615	26,434	—
Philadelphia Fire and Marine	1,189,892	192,879	15,227	8,075	14,588	1,541	—	214,297	223,493	304,245	4,152	64,032	6,317
Philadelphia National	4,456,677	55,549	5,301	2,061	3,473	3,473	—	91,720	23,721	74,847	39	12,787	2,592
Phoenix	1,169,089	157,719	44,493	38,210	17,376	1,158	—	1,271,211	1,022,457	2,284,091	68,857	226,839	1,799
Piedmont	7,697,069	23,029	7,813	2,708	103,483	2,805	—	429,484	61,533	313,837	296	48	—
Potomac	1,442,659	211,537	18,937	2,210	4,447	2,881	—	1,391,392	23	415,893	—	—	—
Providence	4,550,185	642,848	41,920	23,216	21,118	7,326	—	1,066,670	1,360,046	1,899,046	180	278,032	—
Providence Washington	989,284	116,869	17,257	3,820	6,094	4,001	—	219,631	211,848	18,009	9,832	—	—
Quaker City	2,773,806	36,314	9,902	651	385	314	—	283,702	127,662	693,371	32	78,508	—
Queen	7,973,112	1,060,856	75,804	64,446	29,097	33,557	6,294	1,083,094	908,351	180,215	180,215	244,296	—
Reliance	730,864	98,678	8,481	3,297	5,556	1,853	—	146,752	50,019	119,755	63	20,460	—
Richmond	963,909	190,550	20,133	4,667	6,460	4,082	—	112,938	—	60,367	23,061	—	270
Rockester American	1,023,865	146,587	24,456	8,568	15,468	3,151	—	91,883	—	104,225	15	—	—
Safeguard	824,011	131,688	20,475	6,515	10,589	3,831	—	117,695	—	135,551	15	846	—
Seaboard Fire and Marine	758,863	93,394	4,944	2,412	3,757	3,72	—	110,177	258,429	33,964	8,720	14,819	—
Seaboard Insurance	51,332	3,668	3,668	3,118	1,408	1,625	305	933,653	295,183	5,337*	5,337*	78,948	357
Security	4,564,733	669,142	84,357	23,974	14,995	7,528	—	144,760	—	628,798	14,815	—	117
Standard (N. Y.)	2,040,703	364,041	26,952	14,008	10,239	6,015	—	935,048	—	259,286	439	151,346	494
Standard (N. Y.)	2,919,580	367,286	26,710	29,015	35,943	5,635	—	355,902	—	207,800	54,259	66,577	—
Star	2,281,115	319,398	22,523	19,403	8,760	10,112	—	3,091,131	3,031,694	117,321	117,321	—	—
Star	7,083,491	1,189,431	436,697	38,575	29,340	—	2,184,005	184,075	—	176,031	19	—	—
Star	435,518	74,787	8,700	1,310	1,807	991	—	119,871	5,152	66,797	1,116	2,801	—
Sun Underwriters	66,934	20,402	2,007	2,476	618	—	—	8,097,691	79,635	2,590,938	79,635	—	—
Transcontinental	1,090,042	151,763	59,102	102,406	15,080	15,080	—	249,759	104,998	104,998	59,985	—	—
Travelers	11,307,621	107,819	12,792	4,872	2,857	2,857	—	1,753,193	1,753,193	793,516	39,610*	266,826	3,680
United Firemen's	1,143,488	107,819	6,721	4,972	4,972	—	—	477,555	631,876	122,604	135,005	135,005	—
United States Fire	9,375,519	1,996,769	283,818	43,977	42,103	42,811	—	322,655	547,257	202,630	13,286	136,873	—
Universal	—743	—	—	—	—	—	—	9,299	—	9,299	66	—	—
Vigilant	17,563	1,563	849	464	104	104	—	118,826	—	—	—	—	—
Virginia Fire and Marine	1,061,869	167,805	22,538	3,262	3,051	3,843	—	646,474	1,832,367	836,644	40,813*	261,387	142
Washington Assurance	439,465	43,605	436	260	—	—	—	218,466	352,700	235,022	3,167	480,194	80,760
Westchester	4,588,783	687,235	130,675	20,934	26,998	10,949	644,044	378,177	220,143	383,307	71	—	2,055
Western National	911,982	112,157	11,126	4,924	5,419	2,757	—	—	—	—	—	—	—
World Fire and Marine	1,333,127	158,383	17,791	12,886	17,589	1,028	373,870	—	—	—	—	—	—
Zurich	—	—	—	—	—	—	—	920,623	—	—	—	—	—
Totals:	\$513,119,024	\$75,960,281	\$14,291,568	\$3,598,598	\$2,800,389	\$1,372,979	\$26,578,102	\$128,460,105	\$64,146,241	\$89,912,350	\$2,871,414	\$18,408,449	\$10,687,559

* Includes motor vehicle property damage.

TABLE 4.—*Net Premiums Written during 1945—Concluded*

COMPANIES	United States Branches, Companies of Other Countries													
	Tornado, Windstorm, Cyclone, Hail (except growing crops)	Sprinkler Leakage	Riot, Civil Commotion and Explosion	Earthquake	Hail (growing crops only)	Motor Vehicles	Ocean Marine	Inland Navigation and Transportation	Aircraft	Ocean Marine (War Risk only)	All Other			
Allyance Assurance	—	—	—	—	—	—	—	—	—	—	—			
Atlas Assurance	\$47,538	\$7,952	\$10,659	\$9,055	—	\$316,210	\$856,229	\$286,392	\$24,373	\$197,902	—			
British America	9,585	3,631	2,557	4,547	\$54,426	17,353	356,418	260,908	204	35,511	\$15			
British and Foreign Marine	7,336	6,237	2,816	3,251	609	102,223	925,445	89,942	17,440	189,048	—			
British General	49,123	1,512	1,632	519	—	60,491	—	64,090	756	—	15			
Caledonian	8,095	7,384	7,384	36,619	—	337,455	84,808	105,491	220	76,288	—			
Century	127,717	6,294	6,977	103	—	104,567	582,638	178,631	7,241	184,786	—			
Commercial Union Assurance	94,362	20,229	22,164	6,837	—	814,591	769,433	1,190,735	10,076	505,193	271			
Eagle Star	—	—	—	—	—	—	592,115	126,489	—	131,057	—			
Indemnity Marine	—	—	—	—	—	—	541,634	301,983	—	79,098	—			
Law Union and Rock	8,537	3,945	2,669	3,472	—	119,609	—	19,308	—18	—	231			
Liverpool and London	76,619	65,139	29,409	33,948	6,362	1,067,666	804,974	696,585	182,153	221,505	—			
London Assurance	45,153	8,777	8,102	8,333	—	350,466	1,166,573	434,563	24,373	335,347	—			
London & Lancashire	45,879	3,893	—13,790	—2,109	—	520,693	—	75,487	134	—	1,098			
London & Scottish	4,886	1,368	1,507	—	—	39,435	—	—	—	—	—			
Marine	—	—	—	—	—	—	1,259,693	668,851	24,373	342,332	—			
Netherlands	10,096	3,979	4,608	5,526	—	138,714	10,618	36,146	48	2,692	—			
North British and Mercantile	56,588	29,650	30,923	11,219	—	483,368	389,626	1,583,295	386,153	39,641	21,852			
Northern Assurance	56,186	15,733	17,334	15,394	—	453,507	178,288	936,942	192,323	78,755	—			
Norwich Union	31,976	8,626	10,138	9,714	19	313,203	520,620	170,354	206	187,415	—			
Ocean Marine	—	—	—	—	—	60	421,138	23,333	—	41,850	—			
Pacific Coast	3,861	1,574	1,751	19	—	26,142	145,659	44,733	1,810	46,197	—			
Palatine	114,979	16,382	3,822	1,230	—	141,332	—	149,543	1,763	—	36			
Phoenix Assurance	442,961	31,093	18,996	6,973	—	798,520	316,200	316,200	201,400	—	—			
Royal	7,983,981	67,911	30,661	35,303	6,633	1,113,098	1,098,666	729,885	189,904	302,837	—			
Royal Exchange	294,014	46,919	8,514	9,937	—	305,983	813,510	431,396	69	131,247	—			
Scottish Union and National	378,137	10,373	13,905	10,690	—	685,106	—	255,565	508	—	—			
Sea	34,791	2,486	1,333	302	—	158,105	1,336,904	340,111	24,373	358,710	—			
Standard Marine	51,588	4,562	—	—	—	86,894	1,212,467	938,496	—	244,702	—			
State Assurance	98,005	2,838	4,247	3,312	—	635,218	740,690	374,445	9,830	165,468	—			
Sun	405,231	14,940	11,054	14,698	—	282	438,159	139,466	12	46,939	—			
"Switzerland" General	82,506	5,772	10,086	13,625	338	56,791	487,773	54,111	9,689	132,952	—			
Thames and Mersey	407,342	4,076	1,564	1,806	—	141,332	—	149,543	1,763	—	—			
Union Assurance	713,328	114,979	3,822	1,230	—	18,071	920,919	388,254	46	147,148	36			
Union of Canton	856,982	6,430	3,276	15,988	—	101,438	547,995	69,094	24,214	187,415	—			
Union Marine	444,161	2,767	2,037	1,193	—	101,438	547,995	69,094	24,214	187,415	—			
Western Assurance	1,026,078	4,539	4,946	4,963	59,352	37,195	358,504	256,885	50*	52,821	21			
Yorksire	1,463,689	157,724	6,685	5,364	—	266,616	—	54,843	163*	—	—			
Totals:	\$62,805,505	\$354,875	\$270,699	\$273,150	\$127,739	\$10,771,773	\$17,561,496	\$11,069,863	\$1,345,700	\$4,554,856	\$23,575			

<i>Recapitulation</i>											
Massachusetts Mutual companies other than manufacturers' (29 Companies)	\$16,224,614	\$1,679,515	\$91,064	\$81,023	\$14,939	\$14,929	-	\$5,924,460	-	\$790,184	\$12,088
Mutual companies of other states other than manufacturers' (30 Companies)	56,260,425	8,089,914	984,197	254,179	94,793	60,830	-	7,891,381	\$4,704,643	4,817,406	68,746
Massachusetts manufacturers' mutuals (3 Companies)	14,493,351	-	-	-	-	-	-	-	-	-	-
Manufacturers' mutuals of other states (6 Companies)	28,424,221	-	-	-	-	-	-	-	-	-	-
Massachusetts stock companies (7 Companies)	21,985,869	3,396,627	610,792	126,094	108,400	38,066	\$2,259,963	5,898,049	1,598,694	3,363,653	103,138
Stock companies of other states (161 Companies)	513,119,024	75,960,281	14,291,568	3,598,568	2,800,389	1,372,979	26,578,162	128,460,165	64,146,241	89,912,350	2,871,414
United States branches, companies of other countries (33 Companies)	62,805,505	9,209,883	853,206	354,875	270,699	273,150	127,739	10,771,773	17,561,496	11,969,663	1,345,700
Totals: (276 Companies)	\$713,313,009	\$98,336,220	\$16,830,827	\$4,414,769	\$3,289,220	\$1,759,954	\$28,965,864	\$158,945,828	\$88,011,074	\$110,853,256	\$4,401,986
											\$23,775,934
											\$10,550,253

* Includes motor vehicle property damage.

TABLE 5.—Disbursements during 1945

COMPANIES	Net Losses	Dividends	Agents' Com- pensation and Allowances including Brokerage	Salaries, Ex- penses and All Other Charges of Officers and Employees	Rents	Taxes and Fees	Loss on Sale and Decrease in Book Value of Assets	All Other Disbur- sements	Total
<i>Massachusetts Mutual Companies Other than Manufacturers'</i>									
Abington	\$128,047	\$47,968	\$84,434	\$18,504	\$2,950	\$7,276	\$2,266	\$19,799	\$311,244
Allied American	552,685	280,786	93,545	85,841	7,303	32,221	1,765	110,133	1,164,279
Associated Merchants	38,080	12,580	6,242	9,466	1,206	1,288	200	3,329	72,391
Atleborough	21,348	11,761	821	10,203	672	815	—	6,261	51,946
Barstabile County	57,599	34,163	—	20,869	558	5,540	—	2,033	150,825
Berkshire	383,311	104,853	219,825	66,005	5,689	25,636	189	77,738	933,246
Cambridge	300,713	104,329	161,854	43,679	3,419	19,060	2,370	38,694	674,118
Dorchester	153,437	72,173	53,306	27,256	4,300	8,181	1,000	50,049	369,702
Federal	294,738	131,224	161,277	95,648	5,102	20,932	681	72,920	782,522
Fitchburg	146,466	97,734	56,459	42,615	3,697	14,632	—	43,875	405,478
Groveland	284	—	84	662	150	76	—	321	1,577
Hingham	136,929	56,038	58,458	35,212	1,062	7,600	5,008	25,445	325,752
Holyoke	389,963	201,041	228,734	113,752	8,996	45,894	40,566	101,090	1,130,036
Lowell	127,042	59,666	27,318	27,962	3,734	7,595	1,098	26,140	280,555
Lumber	931,707	360,881	213,173	190,248	16,142	68,547	25,017	235,919	2,061,631
Lynn	114,891	51,770	79,085	23,300	1,455	8,571	2,172	23,838	205,082
Merchants and Farmers	88,931	63,193	14,743	33,328	2,130	8,723	1,192	22,905	235,075
Merrimack	832,836	354,868	577,735	157,438	12,037	65,474	5,589	159,692	2,165,689
Middlesex	468,185	219,179	297,638	88,009	5,787	45,343	12,986	100,697	1,237,824
Mutual Fire Assurance	2,807	21,496	—	16,548	1,641	294	—	2,171	44,867
Newburyport	907	3,644	—	1,470	360	75	33	336	6,845
Norfolk and Dedham	303,060	130,444	187,576	58,752	2,707	24,704	20,326	70,085	797,654
Pioneer	37,372	—	14,257	10,779	—	2,324	—	12,418	77,150
Quincy	688,962	318,221	378,063	106,831	9,000	66,318	57,818	130,884	1,756,097
Salem	27,605	21,269	11,725	12,369	1,025	1,892	—	9,478	115,963
Traders and Mechanics	249,976	106,358	132,627	53,574	4,659	24,119	300	54,114	625,727
United Mutual	3,348,081	1,760,093	1,107,712	1,231,367	54,070	222,610	67,201	622,620	7,416,754
West Newbury	845	—	—	715	—	75	—	4,096	5,731
Worcester Mutual	400,159	243,425	33,390	114,549	7,608	75,496	8,253	96,541	979,481
Totals	\$10,286,966	\$4,949,157	\$3,203,081	\$2,097,016	\$168,139	\$811,221	\$257,993	\$2,131,671	\$24,505,244
<i>Mutual Companies of Other States Other than Manufacturers'</i>									
Atlantic	\$2,897,198	\$721,876	\$712,406	\$1,154,050	\$162,019	\$508,126	\$4,965	\$1,232,919	\$7,393,559
Automobile	92,294	298,840	3,185	142,083	12,074	44,503	14,746	67,838	675,563
Central Manufacturers	2,574,001	1,107,872	1,208,938	536,154	30,955	230,667	28,411	411,107	6,128,105
Employers	243,727	136,855	55,517	80,013	4,131	24,434	351	36,614	581,642

Grain Dealers	1,528,503	812,380	648,268	455,640	23,228	126,521	25,101	377,302	3,906,943
Hardware Dealers	2,122,161	1,587,744	738,585	578,397	69,390	214,189	16,788	354,822	5,738,746
Hardware Mutual	1,910,786	1,398,984	595,357	716,144	57,529	235,377	12,432	529,517	5,294,517
Indiana Lumbermen's	1,325,699	629,994	702,609	237,802	18,000	115,299	6,748	161,464	2,904,615
Lumbermen	1,338,699	502,107	577,989	255,090	12,016	99,599	8,188	181,366	2,973,684
Manufacturers and Merchants	81,922	45,546	27,716	29,843	3,171	6,411	6,138	274,500	274,500
Manufacturers and Business Men's	170,273	590,277	9,331	232,209	4,055	43,467	14,363	49,703	1,113,680
Michigan Millers	1,524,890	678,459	665,474	366,385	43,690	97,267	66,392	289,384	3,782,141
Michigan Mutual (Ill.)	901,267	493,637	195,499	292,403	13,680	81,469	13,906	289,343	2,281,204
Millers Mutual (Pa.)	284,866	154,204	144,348	119,942	10,320	37,386	1,973	42,236	795,275
Millers Mutual (Texas)	669,022	296,232	226,836	182,355	6,600	43,125	1,866	88,612	1,514,648
Millers National	2,084,399	196,207	1,234,858	550,216	52,085	163,112	313,772	462,148	2,680,007
Mill Owners Mutual (Iowa)	1,087,688	466,888	566,505	240,443	10,800	107,208	27,278	173,197	2,680,007
Mutual of Saco	55,617	39,811	7,606	18,131	3,747	4,308	1,000	15,457	145,677
Mutual Implement	2,357,010	1,537,144	949,464	587,438	48,296	202,748	26,365	443,957	6,152,422
National Retailers	1,416,434	699,013	653,450	329,911	9,852	147,129	1,980	382,920	3,640,689
Northwestern Mutual	3,370,569	1,733,392	1,995,654	873,173	85,922	305,084	29,758	690,001	9,083,553
Ohio Mutual	38,788	11,710	13,569	25,202	4,538	2,640	—	4,702	101,149
Pawtucket	484,190	238,792	273,564	111,118	10,000	35,398	7,339	166,969	1,327,370
Pennsylvania Lumbermen	1,037,040	507,721	369,114	180,882	19,342	96,817	29,819	159,372	2,400,107
Pennsylvania Millers	529,669	284,542	262,453	140,191	10,998	51,215	4,960	86,752	1,370,780
Phoenix	65,538	36,437	22,173	19,686	2,534	5,832	8,795	19,422	180,417
Providence Mutual	88,174	47,245	20,963	33,130	2,016	11,626	4,489	28,889	245,532
Union Mutual	909,566	334,446	827,556	128,024	18,528	63,341	13,826	113,301	2,408,588
Utica (Mutual)	124,046	20	62,219	28,591	2,073	6,738	5,137	25,599	254,423
Vermont	245,014	101,926	121,733	86,239	8,547	27,582	64	72,510	663,615
Totals	\$31,559,050	\$15,639,701	\$13,701,949	\$8,857,885	\$760,136	\$3,139,118	\$400,842	\$6,870,963	\$80,929,644
<i>Massachusetts Manufacturers' Mutuals</i>									
Arkwright	\$434,309	\$2,564,902	—	\$150,908	\$9,893	\$107,328	\$107,028	\$298,692	\$3,673,060
Boston Manufacturers	582,876	3,183,604	—	201,688	12,143	111,635	13,539	490,344	4,585,829
Cotton and Woolen	294,854	1,768,849	—	115,910	8,343	79,920	10,115	217,096	2,495,087
Fall River Manufacturers	150,124	821,123	—	49,558	3,015	34,670	13,832	117,072	1,189,394
Worcester Manufacturers	150,124	821,123	—	50,931	3,015	33,141	2,803	113,105	1,174,242
Totals	\$1,612,287	\$9,159,601	—	\$568,995	\$36,409	\$366,694	\$147,317	\$1,236,309	\$13,127,612
<i>Manufacturers' Mutuals of Other States</i>									
Blackstone	\$546,927	\$2,673,906	—	\$196,754	\$12,450	\$81,634	\$11,395	\$299,922	\$3,822,988
Firemen's	791,197	3,456,629	—	229,844	23,299	124,365	209,115	390,200	4,646,910
Manufacturers	1,435,973	8,686,346	—\$577,739	445,371	40,126	268,526	32,040	863,085	11,771,467
Philadelphia Manufacturers	170,939	896,097	—	33,711	7,391	33,711	19,819	149,651	1,361,570
Protection Mutual	228,837	1,116,634	—	129,696	8,949	40,768	6,036	144,001	1,676,811
What Cheer	243,763	1,136,915	—	93,423	10,369	38,585	17,117	202,216	1,742,388
Totals	\$3,417,636	\$17,966,527	—\$577,739	\$1,179,050	\$104,484	\$587,389	\$295,512	\$2,049,075	\$25,022,134

TABLE 5.—Disbursements during 1945—Continued

COMPANIES	Net Losses	Dividends	Agents' Com- pensation and Allowances including Brokerage	Salaries, Ex- penses and All Other Charges of Officers and Employees	Rents	Taxes and Fees	Loss on Sale and Devalue in Book Value of Assets	All Other Disburse- ments	Total
Massachusetts Stock Companies									
Boston	\$3,481,107	\$630,000	\$1,799,756	\$759,506	\$67,262	\$216,725	\$42,699	\$864,211	\$7,861,266
Employers'	2,572,730	100,000	1,441,547	587,150	36,571	210,171	47,495	345,621	5,341,285
Massachusetts Fire and Marine	367,286	100,000	185,773	65,917	3,792	54,492	2,536	43,448	823,244
New England	331,075	50,000	163,822	54,623	2,472	22,635	20,224	35,549	680,400
Old Colony	1,134,101	350,000	607,867	237,550	16,572	61,560	30,003	225,614	2,663,267
Sentinel	330,254	75,000	163,413	54,623	2,471	23,413	8,463	47,048	704,665
Springfield Fire and Marine	11,258,708	950,000	5,571,021	1,857,178	84,022	710,047	189,089	1,534,358	22,154,423
Totals	\$19,475,261	\$2,255,000	\$9,933,199	\$3,616,547	\$213,162	\$1,299,043	\$340,509	\$3,095,849	\$40,228,570
Stock Companies of Other States									
Aetna	\$16,047,884	\$1,350,000	\$8,047,540	\$3,733,720	\$182,230	\$1,045,040	\$63,077	\$2,466,581	\$32,936,081
Agricultural	4,478,306	420,000	2,677,901	603,315	28,000	284,550	81,851	693,842	9,267,765
Albany	366,356	50,000	169,941	102,009	7,655	30,664	15,354	65,965	807,944
Allemania	1,049,976	144,000	672,472	218,839	18,336	71,036	61,843	160,170	2,396,672
Alliance (Pa.)	1,914,537	350,000	903,688	467,826	43,446	183,778	15,932	319,800	4,199,007
Allied Fire (Utica)	168,108	83,536	56,080	56,803	3,564	12,844	2,827	416,048	416,048
American (N. J.)	11,548,503	802,498	6,148,425	1,792,627	198,537	747,977	257,061	2,034,199	23,529,827
American Alliance	1,525,782	330,000	917,854	285,851	18,960	122,922	3,444	201,613	3,406,426
American Automobile	3,877,446	—	2,302,396	786,530	77,223	210,403	1,169	731,415	7,986,582
American Aviation	155,257	—	237,221	52,249	1,419	12,594	718	31,538	490,996
American Central	1,569,083	175,000	811,397	404,429	27,396	132,951	31,919	247,083	3,399,253
American Drugists	227,238	77,972	23,579	60,112	5,578	77,881	26,514	107,862	606,736
American Eagle	2,292,054	800,000	1,193,202	416,279	41,489	454,951	6,345	723,091	5,927,411
American Equitable	4,709,287	411,644	3,518,178	661,336	47,106	287,334	75,793	638,377	10,349,060
American and Foreign	1,102,182	225,000	537,730	191,491	20,846	92,892	29,947	167,617	2,367,705
American National	—	40,000	—	10,270	—	17,071	—	2,731	70,072
American Reserve	1,700,433	50,000	1,312,350	134,612	15,600	54,826	136,710	107,135	3,491,666
American Union	161,785	100,000	55,992	41,989	3,318	60,995	412	53,966	479,457
Anchor	484,766	50,000	293,168	42,220	2,640	40,048	21,248	59,290	993,380
Automobile	9,383,625	700,000	4,340,193	2,732,438	253,031	760,561	122,630	1,679,371	19,971,852
Baltimore American	1,453,792	180,000	858,544	236,468	18,925	73,477	8,569	175,180	3,004,955
Bankers and Shippers	1,980,732	160,000	1,055,233	339,792	20,577	130,886	23,917	251,187	3,962,394
Birmingham (Pa.)	116,437	20,000	81,761	18,981	2,591	3,349	7,295	18,874	269,488
Buffalo	1,322,700	120,000	936,681	242,562	19,753	101,355	16,351	267,001	3,076,903
Caledonian-American	488,614	40,000	239,362	70,742	6,442	45,671	50,131	74,210	1,015,178
California	953,617	100,000	493,178	245,693	16,615	69,208	22,362	197,784	2,098,462
Camden	4,319,771	400,000	2,723,270	424,227	27,600	267,032	69,135	609,949	8,860,984
Capital (Cal.)	285,872	50,000	155,805	54,070	5,545	18,691	5,103	47,716	620,802
Capital (N. H.)	19,066	12,111	18,149	11,708	653	1,382	4,337	7,648	75,054
Carolina	586,169	70,000	343,999	78,725	9,451	40,663	688	73,064	1,202,759

TABLE 5.—Disbursements during 1945—Continued

COMPANIES	Net Losses	Dividends	Agents' Com- pensation and Allowances including Brokerage	Salaries, Ex- penses and All Other Charges of Officers and Employees	Rents	Taxes and Fees	Decrease in Book Value of Assets	All Other Disburse- ments	Total
<i>Stock Companies of Other States — Concluded</i>									
Home Fire and Marine	\$2,284,698	\$200,000	\$1,165,973	\$458,771	\$39,695	\$233,028	\$26,952	\$391,814	\$4,800,931
Homestead	748,740	50,000	516,011	135,050	12,487	74,106	7,948	127,516	1,671,858
Homeland	762,639	50,000	414,335	114,658	13,163	44,688	16,437	92,969	1,508,939
Imperial Assurance	686,149	100,000	414,285	179,686	11,580	73,423	—	113,337	1,578,455
Insurance Co. of North America	19,488,994	3,600,000	8,860,449	4,703,705	438,130	2,188,388	209,254	3,512,632	43,001,557
Insurance Co. of State of Pa.	905,919	60,000	460,025	283,114	15,160	75,725	7,064	182,877	1,989,884
Inter-Ocean	1,416,305	50,000	1,045,490	126,960	15,636	29,130	27,341	118,649	2,829,511
Jersey	1,268,019	90,000	674,175	217,875	13,154	84,119	6,868	161,112	2,515,322
Lumbermen's (Pa.)	888,614	140,000	449,429	188,362	15,030	60,005	29,406	218,134	1,988,980
Manhattan Fire and Marine	630,827	50,000	407,684	147,725	14,055	46,211	8,030	113,445	1,417,977
Maryland	419,826	75,000	158,410	60,894	5,574	29,286	20,891	32,406	822,287
Mechanics and Traders	792,041	—	483,094	187,503	13,745	55,204	56,784	96,281	1,654,652
Mechanics	1,196,325	200,000	698,342	280,212	21,474	112,929	12,849	241,491	2,763,622
Merchants (N. Y.)	2,150,469	670,000	1,465,343	331,508	20,463	275,527	55,672	342,400	5,311,382
Merchants and Manufacturers	1,161,945	100,000	934,162	165,334	11,777	71,377	9,681	149,952	2,604,228
Merchants (Colorado)	1,674,210	16,000	429,397	91,134	5,280	60,767	6,793	122,382	1,405,963
Mercury	1,929,821	200,000	1,120,299	260,664	6,828	141,129	10,172	220,215	3,889,128
Michigan Fire and Marine	1,324,301	120,000	655,309	218,491	9,885	84,506	6,150	180,748	2,599,390
Milwaukee Mechanics	3,221,934	320,000	1,665,634	685,993	58,371	234,524	215,765	534,961	6,937,782
Minneapolis Fire and Marine	—	40,000	—	—	—	10,589	57,900	32,306	140,795
National Fire	10,662,090	1,000,000	6,099,337	2,366,317	185,022	722,361	822,694	1,428,084	23,285,905
National-Ben Franklin	1,187,028	160,000	613,655	252,734	21,726	86,404	5,203	192,970	2,522,790
National Grange	70,395	67,159	17,638	14,781	612	20,630	—	7,293	198,508
National Liberty	4,325,927	600,000	2,620,129	699,667	57,443	204,117	11,739	487,576	9,006,598
National Reserve	680,340	—	453,419	93,136	2,805	46,094	8,036	104,454	1,450,030
National Security	390,365	50,000	174,490	98,832	8,739	60,362	18,243	61,219	1,556,552
National Union	6,398,229	275,000	3,126,039	984,518	72,147	404,203	372,692	1,243,163	12,876,011
Newark	2,140,210	350,000	1,142,753	402,290	40,929	129,357	37,922	146,702	4,609,766
New Brunswick	1,208,144	150,000	711,574	169,716	33,316	66,214	4,478	242,514	2,490,144
New Hampshire	3,381,590	540,000	1,848,960	938,529	8,104	201,126	26,055	423,851	7,356,878
New York Fire	1,875,068	160,000	1,775,397	275,556	19,627	116,949	109,917	13,022	4,576,322
New York Underwriters	1,198,110	100,000	1,072,671	201,711	12,884	164,919	13,022	110,152	2,473,069
Niagara	3,870,775	900,000	2,102,474	751,464	74,860	341,566	55,777	513,004	8,612,130
North American Fire and Marine	35,332	—	27,509	420	—	3,344	45,711	2,694	115,010
Northern (N. Y.)	2,889,643	320,000	1,783,602	555,963	37,004	210,892	225,998	379,928	6,403,030
North River	4,435,914	800,000	2,187,791	982,700	83,961	551,836	228,222	513,819	9,787,273
Northwestern Fire and Marine	441,571	100,000	268,639	63,147	4,866	65,877	29,514	55,460	1,029,075
Northwestern National	2,422,247	400,000	1,563,443	810,908	76,269	228,326	53,265	374,281	5,928,739
Ohio Farmers	1,696,801	—	1,163,883	393,479	25,575	95,914	24,587	379,117	3,779,356
Orient	1,234,866	100,000	583,853	297,298	22,029	105,025	11,574	262,251	2,616,896
Pacific	2,255,559	200,000	1,201,752	386,711	23,428	150,746	36,709	291,948	4,546,853
Pacific National	2,954,666	—	1,489,994	726,043	53,672	192,949	7,530	506,197	5,931,051

Patriotic	641,013	498,626	89,226	6,672	38,542	14,155	81,053	1,369,287
Paul Revere	734,945	428,689	96,806	11,226	44,735	1,104	85,439	1,522,944
Pennsylvania	2,760,203	1,465,913	668,361	51,624	288,887	30,927	591,700	6,307,315
Philadelphia Fire and Marine	1,075,511	506,028	262,394	262,394	99,284	-	162,180	2,329,783
Philadelphia National	361,851	190,240	30,391	6,262	41,339	14,471	87,661	852,198
Phoenix	6,533,751	3,545,505	1,433,075	75,557	573,903	224,574	898,090	15,114,255
Pontiac	1,169,921	776,653	45,219	4,848	80,743	3,899	169,768	2,276,936
Potomac	1,812,284	1,312,307	386,218	9,390	129,463	3,423	283,845	3,936,930
Providence	4,451,103	2,647,261	741,592	40,125	314,798	46,627	9,209,327	11,971,642
Providence Washington	763,693	489,100	82,386	8,006	39,975	3,383	59,566	1,446,109
Quaker City	433,718	257,860	4,814	-	43,208	18,673	128,120	926,393
Queen	5,577,308	2,967,937	1,049,108	106,172	344,494	176,322	942,705	11,964,045
Reliance	572,707	308,056	126,372	10,020	38,406	21,291	145,888	1,392,740
Richmond	615,918	415,345	174,144	14,796	42,019	77,839	90,347	1,580,408
Rochester American	669,436	391,220	116,077	7,584	71,506	5,179	81,837	1,462,839
Safeguard	518,184	287,852	122,980	9,179	46,227	552	87,591	1,172,495
Seaboard Fire and Marine	768,115	354,562	132,863	9,706	65,832	82,692	109,727	1,532,440
Seaboard Insurance	261,260	139,735	48,319	4,930	16,368	3,469	45,038	537,119
Security	3,667,126	1,937,416	690,942	29,268	212,016	73,298	390,758	7,550,754
Standard (Conn.)	1,430,930	698,435	440,621	41,089	172,307	26,337	201,800	3,224,609
Standard (N. J.)	1,585,614	316,992	135,361	6,702	146,400	29,377	117,723	1,333,398
Standard (N. Y.)	2,346,529	1,444,331	971,608	6,702	148,313	220	257,084	4,565,317
Star	1,940,491	800,517	295,684	29,813	116,856	22,599	264,295	3,405,255
St. Paul Fire and Marine	10,459,490	4,808,938	1,832,081	120,369	1,116,952	99,606	1,629,573	21,687,009
Sun Underwriters	449,493	283,237	59,494	4,893	36,704	6,415	66,665	906,901
Transcontinental	365,557	209,120	81,131	6,344	24,031	51,944	44,424	782,551
Travelers	11,355,485	6,106,337	3,698,012	352,322	864,338	30,190	2,211,183	24,736,867
United Firemen's	701,716	450,347	195,117	13,327	76,217	21,055	138,385	1,695,164
United States Fire	6,892,690	3,640,055	1,711,964	143,755	845,120	172,252	944,711	15,350,547
Universal	969,819	346,190	78,793	22,707	62,973	13,109	107,650	1,651,241
Virgiant	575,339	362,091	1,560	-	169,364	28,586	37,449	1,174,389
Virginia Fire and Marine	617,904	335,326	141,420	6,500	45,781	11,898	112,081	1,360,910
Washington Assurance	122,786	105,188	14,747	620	24,977	-	20,096	288,414
Westchester	4,717,678	2,296,770	1,051,688	86,679	440,023	216,258	612,952	10,062,048
Western National	896,783	444,667	176,555	15,230	111,798	16,145	157,889	1,939,067
World Fire and Marine	1,417,878	734,920	261,096	11,235	82,630	11,585	189,579	2,810,923
Zurich	521,181	233,769	102,403	5,877	30,261	7,021	51,477	951,989
Totals	\$439,559,100	\$55,033,666	\$234,649,777	\$8,441,484	\$6,918,930	\$38,808,488	\$9,409,711	\$98,753,622
<i>United States Branches, Companies of Other Countries</i>								
Alliance Assurance	\$706,917	\$418,836	\$605	\$39,221	\$180,286	\$1,972	\$242,058	\$1,550,674
Atlas Assurance	2,157,886	993,421	536,781	536,781	143,253	30,470	479,518	4,380,550
British America	998,437	210,664	70,202	5,933	22,184	23,415	106,429	737,261
British and Foreign Marine	969,020	406,638	145,384	16,255	212,990	20,740	464,368	2,223,893
British General	325,928	116,783	58,062	3,889	19,127	1,688	81,011	506,488
Calcedonian	1,378,958	1,021,983	192,749	18,032	90,722	35,444	288,029	3,025,945
Century	1,032,437	615,894	119,834	10,197	107,996	4,927	425,203	2,316,508
Commercial Union Assurance	3,435,288	1,794,357	886,673	61,774	613,388	53,883	1,836,280	8,681,643
Eagle Star	675,551	147,040	61,608	21,438	74,118	29,858	961,929	1,971,662
Indemnity Marine	424,766	246,249	4,355	460	14,236	1,355	117,265	808,686

TABLE 5.—Disbursements during 1945—Concluded

COMPANIES	Net Losses	Dividends	Agents' Com- pensation and Allowances, including Brokerage	Salaries, Ex- penses and All Other Charges of Officers and Employees	Rents	Taxes and Fees	Loss on Sale and Decrease in Book Value of Assets	All Other Disbur- sements	Total
United States Branches, Companies of other Countries									
—Concluded									
Law Union and Rock	\$445,109	—	\$194,257	\$98,933	\$7,343	\$40,500	—	\$160,781	\$946,923
Liverpool and London and Globe	5,678,026	—	2,893,745	1,135,108	100,078	477,887	\$67,970	1,040,247	11,393,061
London Assurance	2,232,301	—	1,318,040	371,468	36,635	272,762	1,652	814,043	5,046,901
London & Lancashire	2,192,796	—	786,455	468,055	34,880	151,597	898	557,001	4,191,682
London and Scottish	200,099	—	107,494	44,461	3,076	14,958	692	76,857	447,637
Marine	955,257	—	581,577	1,008	—	268,828	1,790	542,985	2,351,445
Netherlands	480,709	—	384,464	86,460	7,397	32,483	12,885	69,241	1,073,639
North British and Mercantile	4,313,558	—	2,343,201	852,388	67,321	312,506	13,008	1,267,891	9,169,873
Northern Assurance	2,871,432	—	1,658,077	582,506	40,186	203,253	16,180	683,581	6,055,215
Norwich Union	2,174,716	—	965,409	543,083	36,036	145,613	2,504	556,147	4,429,508
Ocean Marine	209,158	—	49,912	32,364	1,879	10,497	12	93,434	397,256
Pacific Coast	258,114	—	153,973	29,871	2,549	45,922	1,115	78,900	570,444
Palatine	529,004	—	273,944	135,477	9,074	45,068	14,023	219,324	1,226,514
Phoenix Assurance	2,553,560	—	1,226,150	514,309	32,830	234,582	326	389,713	4,951,470
Royal	5,950,140	—	3,047,480	1,203,809	106,873	542,127	85,377	2,099,727	13,035,533
Royal Exchange	2,005,887	—	1,185,718	239,570	18,974	120,319	47,141	421,501	4,039,110
Scottish Union and National	2,027,323	—	1,139,314	390,284	19,596	141,321	31,744	659,565	4,409,147
Sea	1,063,071	—	613,863	1,285	—	208,345	5,748	337,609	2,229,921
Standard Marine	1,030,879	—	705,044	5,828	—	144,614	5,305	331,187	2,222,857
State Assurance	377,068	—	240,308	68,969	6,225	30,538	15,183	41,403	779,694
State Assurance	2,605,007	—	1,453,432	325,926	26,796	163,189	2,906	601,773	5,179,029
"Switzerland" General	616,166	—	528,510	10,824	1,041	9,839	750	94,071	1,261,201
Thames and Mersey	558,705	—	205,388	81,099	9,266	104,806	12,202	319,397	1,290,863
Union Assurance	529,004	—	273,944	135,478	9,074	45,819	2,323	168,967	1,164,609
Union of Canton	1,014,721	—	808,283	50,615	4,915	95,151	1,810	686,130	2,661,625
Union Marine	601,428	—	269,075	148,448	11,696	139,024	6,717	177,281	1,353,669
Western Assurance	894,982	—	512,296	188,394	16,131	70,496	29,305	196,656	1,908,260
Yorkshire	1,252,413	—	478,540	223,673	16,644	109,670	45,685	236,215	2,362,840
Totals	\$56,925,869	—	\$30,369,756	\$10,052,006	\$803,714	\$5,669,014	\$629,003	\$17,914,814	\$122,364,176

Recapitulation

Massachusetts mutual companies other than manufacturers' (29 companies)	\$10,286,966	\$4,949,157	\$3,203,081	\$2,697,016	\$168,139	\$811,221	\$257,993	\$2,131,671	\$24,505,244
Mutual companies of other states other than manufacturers' (30 companies)	31,559,050	15,639,701	13,701,919	8,857,885	760,136	3,139,118	400,842	6,870,963	80,929,644
Massachusetts manufacturers' mutuals (5 companies)	1,612,287	3,139,601	-	568,995	36,409	366,694	147,317	1,236,309	13,127,612
Manufacturers' mutuals of other states (6 companies)	3,417,636	17,960,527	-577,739	1,179,050	104,484	587,589	295,512	2,049,075	25,022,134
Massachusetts stock companies (7 companies)	19,475,261	2,253,000	9,333,199	3,616,547	213,162	1,299,043	340,509	3,095,849	40,228,570
Stock companies of other states (161 companies)	439,559,100	55,033,666	234,649,777	88,441,484	6,918,930	38,808,488	9,409,711	98,753,622	971,574,778
United States branches, companies of other countries (38 companies)	56,925,869	-	30,369,756	10,052,006	803,714	5,669,014	629,003	17,914,814	122,364,176
Totals (276 companies)	\$562,836,169	\$105,003,652	\$291,280,023	\$115,412,983	\$9,004,974	\$50,631,167	\$11,480,887	\$132,052,303	\$1,277,752,158

TABLE 6.—*Net Losses Paid during 1945*

COMPANIES	Fire	Extended Coverage	Tornado, Windstorm, Cyclone, Hail (except growing crops)	Sprinkler Leakage	Riot, Civil Commotion and Explosion	Earthquake	Hail (growing crops only)	Motor Vehicles	Ocean Marine	Inland Navigation and Transportation	Aircraft	Ocean Marine (War Risk only)	All Other
<i>Massachusetts Mutual Companies Other than Manufacturers</i>													
Abington	\$104,631	\$12,884	\$709	\$403	\$3	—	—	\$9,416	—	—	—	—	—
Allied American	103,622	—3,647	552	741	22	—	—	440,808	—	3,262	\$6,500	—	\$1,025
Associated Merchants	30,184	3,616	—	—	—	—	—	4,262	—	18	—	—	—
Attleborough	17,931	2,855	—	—	—	—	—	562	—	—	—	—	—
Barnstable County	17,310	40,289	—	—	—	—	—	—	—	—	—	—	—
Berkshire	250,933	40,569	1,589	551	1	—	—	98,350	—	1,318	—	—	—
Berkshire	225,481	37,490	1,080	480	8	—	—	36,224	—	—	—	—	—
Cambridge	130,949	31,684	224	551	—	—	—	10,648	—	—	—	—	—
Dorchester	191,304	9,548	637	439	5	—	—	80,522	—	11,631	562	—	—20,619
Federal	96,380	17,898	522	77	—	—	—	31,539	—	—	—	—	—
Fitchburg	—	—	—	—	—	—	—	—	—	—	—	—	—
Groveland	284	—	—	—	—	—	—	—	—	—	—	—	—
Hingham	78,530	58,000	46	53	—	—	—	—	—	—	—	—	—
Holyoke	257,641	33,005	2,147	1,577	—	—	—	95,693	—	—	—	—	—
Lowell	75,866	16,768	389	—	—	—	—	34,019	—	—	—	—	—
Lumber	809,922	62,235	36,137	2,556	162	—	—	26,100	—	14,056	—	—	—
Lynn	72,432	11,006	213	42	2	—	—	29,390	—	—	1	—	539
Merchants and Farmers	84,741	17,915	342	53	—	\$62	—	11,378	—	—	—	—	1,805
Merrimack	519,066	75,512	6,781	129	6	—	—	231,342	—	—	—	—	—25,560
Middlesex	295,267	44,311	894	170	8	—	—	120,998	—	—	5	—	6,532
Mutual Fire Assurance	2,153	654	—	—	—	—	—	—	—	—	—	—	—
Newburyport	907	—	—	—	—	—	—	—	—	—	—	—	—
Norfolk and Dedham	202,160	34,206	1,950	402	11	—	—	64,331	—	—	—	—	—
Pioneer	14,883	761	—	—	—	—	—	11,959	—	497	—	—	9,272
Quincy	484,066	71,995	1,339	3,118	—	—	—	128,444	—	—	—	—	—
Salem	47,957	6,064	112	35	—	—	—	3,437	—	—	—	—	—
Traders and Mechanics	152,527	55,098	537	306	—	—	—	41,508	—	—	—	—	—
United Mutual	1,797,827	273,428	42,371	6,452	748	8	—	980,485	—	219,500	27,262	—	—
West Newbury	845	—	—	—	—	—	—	—	—	—	—	—	—
Worcester Mutual	315,609	17,923	761	221	—	—	—	65,645	—	—	—	—	—
Totals:	\$6,381,748	\$971,867	\$99,252	\$18,356	\$976	\$70	—	\$2,557,060	—	\$250,283	\$34,330	—	—\$27,006
<i>Mutual Companies of Other States Other than Manufacturers</i>													
Atlantic	\$283,755	\$24,021	\$3,287	\$1,408	\$395	—	—	\$57,458	\$1,985,108	\$406,372	—	\$135,304	—
Automobile	—	—	—	—	—	—	—	432,294	123,407	128,924	—	1,467	—\$25,956
Central Manufacturers	1,689,959	174,319	45,219	3,928	360	\$123	—	98,820	—	16,177	—	—	12,317
Employers	94,618	21,081	707	7	—	—	—	214,173	—	61,890	\$1,999	—	—30,844
Grain Dealers	1,121,784	131,450	24,644	3,246	161	—	—	—	—	—	—	—	—
Hardware Dealers	1,469,621	325,862	32,821	2,719	101	—	—	235,398	—	55,615	24	—	—

	Assets	Liabilities	Capital	Surplus	Total
Hardware Mutual	1,334,070	169,571	21,825	972	161
Indiana Lumbermen's	1,028,477	105,406	27,951	1,996	135
Lumbermen's	1,061,838	69,431	26,718	2,906	730
Manufacturers and Business Men's	65,087	9,381	12	—	—
Merchants and Merchants	160,567	5,051	1,499	3,063	33
Michigan Millers	1,245,284	78,880	26,923	3,180	244
Millers Mutual (Ill.)	649,182	93,136	36,316	1,328	127
Millers Mutual (Pa.)	255,100	21,667	4,422	877	62
Millers Mutual (Texas)	471,422	91,011	11,643	985	384
Millers National	1,297,223	153,524	69,385	1,255	784
Mill Owners Mutual (Iowa)	907,150	108,735	30,233	1,703	119
Mutual of Saco	40,706	4,386	—	35	24
Mutual Implement	1,636,393	349,279	33,793	3,202	106
National Retailers	909,694	86,254	13,088	2,775	4
Northwestern Mutual	2,762,512	308,781	63,734	7,713	88
Ohio Mutual	36,067	2,365	274	5	—
Pawtucket	317,573	30,810	3,040	149	12
Pennsylvania Lumbermen	880,893	63,647	35,062	1,333	838
Pennsylvania Millers	477,327	35,556	12,205	1,413	130
Phoenix	52,070	7,504	—	—	—
Providence Mutual	88,174	—	10	—	10
Union Mutual	752,051	88,801	8,819	•010	6
Utica Mutual	94,473	7,336	142	150	—
Vermont	230,489	7,303	—	—	—
Totals:	\$21,453,509	\$2,373,580	\$534,672	\$48,358	\$4,848
Massachusetts Manufacturers' Mutuals					
Arkwright	\$494,309	—	—	—	—
Boston Manufacturers	582,876	—	—	—	—
Cotton and Woollen	294,854	—	—	—	—
Fall River Manufacturers	150,124	—	—	—	—
Worcester Manufacturers	150,124	—	—	—	—
Totals:	\$1,612,287	—	—	—	—
Manufacturers' Mutuals of Other States					
Blackstone	\$546,927	—	—	—	—
Fremont's	791,197	—	—	—	—
Manufacturers' Mutual	1,435,973	—	—	—	—
Philadelphia Manufacturers	170,939	—	—	—	—
Protection Mutual	228,837	—	—	—	—
What Cheer	243,763	—	—	—	—
Totals:	\$3,417,636	—	—	—	—

TABLE 6.—*Net Losses Paid during 1945—Continued*

COMPANIES	Fire	Extended Coverage	Tornado, Windstorm, Cyclone, Hail (except growing crops)	Riot, Civil Commotion and Explosion	Earth-quake	Hail (growing crops only)	Motor Vehicles	Ocean Marine	Inland Navigation and Transportation	Aircraft	Ocean Marine (War Risk only)	All Other
<i>Massachusetts Stock Companies</i>												
Boston	\$1,967,191	\$236,016	\$67,897	\$2,033	\$1,413	—	\$349,977	\$624,136	\$216,327	—	\$12,077	\$3,135
Employers'	960,045	131,397	25,313	2,040	—	\$1	1,153,454	—	261,304	16,245	—	—
Mass. Fire and Marine	256,333	23,012	15,311	796	89	\$30,629	—	—	28,996	5,034	—	—
New England	185,261	20,750	11,069	396	45	34,354	44,933	2,707	23,097	1,159	582	204
Old Colony	569,406	86,462	23,899	404	315	—	120,393	208,394	99,647	—	—5,175	235
Sentinel	202,750	11,069	11,069	395	1,470	34,354	44,130	2,707	23,095	1,160	582	204
Springfield Fire and Marine	6,298,851	376,356	13,434	49,971	1,520	1,069,033	1,529,228	92,037	955,247	40,757	19,790	6,945
Totals:	\$10,452,950	\$1,243,906	\$528,654	\$20,498	\$1,700	\$1,208,450	\$3,265,977	\$929,981	\$1,602,813	\$65,325	\$27,856	\$10,723
<i>Stock Companies of Other States</i>												
Aetna	\$8,959,720	\$728,761	\$481,647	\$27,492	\$102,032	\$4,270	\$1,060,198	\$996,787	\$1,742,398	\$92,663	\$87,039	\$6,399
Agricultural	2,649,603	269,756	89,510	3,219	1,335	1,036	5,836	472,672	169,504	34,653	25,225	—
Albany	251,673	32,458	10,331	184	224	—	57,932	—	13,504	—	—	—
Alliance	670,599	97,324	27,635	554	—	36	29,119	64,591	33,339	—	—614	—
Alliance (Pa.)	1,096,173	120,563	26,960	3,096	6,473	—14	123,782	183,181	216,072	5,347	23,054	1,429
Allied Fire (Utica)	1,01,876	10,451	638	2,480	—	—	66,237	—	—	—	—	—
Amalgamated	7,038,016	970,315	492,335	10,131	475	325	457,965	984,720	796,974	22,856	111,903	—
American (N. J.)	975,408	104,068	57,469	2,803	783	275	153,145	15,029	67,738	29,670	—	—
American Alliance	—	—	—	—	—	—	—	3,843,309	34,137	13,454	—	—
American Automobile	—	1,813	11	—	—	—	—	—	135	2,008	—	—
American Aviation	16,767	159,965	44,038	2,908	966	7	—	—	179,975	—	—	—
American Central	944,412	159,965	—	—	—	—	—	—	—	—	—	—
American Eagle	221,765	5,473	—	—	—	—	—	—	—	—	—	—
American Drugists'	1,293,674	93,751	33,531	8,819	3,273	—	20,466	329,867	136,426	8,024	40,333	—
American Equitable	3,721,057	333,954	112,429	5,433	1,293	—	66,481	244,337	48,514	1,440	3,493	—
American Foreign	564,359	58,457	13,876	2,593	1,018	89	512	277,715	33,501	16,912	35,193	—
American National	—	—	—	—	—	—	—	—	—	—	—	—
American Reserve	1,344,166	76,887	59,563	1,972	3,928	638	44,139	73,116	55,943	118	4,987	—
Anchor	133,422	24,150	4,203	—	10	—	—	—	—	—	—	—
Automobile	181,362	14,801	4,780	42	174	—	—	—	115,398	—	—	—
Baltimore American	2,969,939	479,751	95,837	5,213	9,251	—	2,591,379	1,214,816	1,861,541	78,413	77,307	1,111
Bankers and Shippers	872,882	131,550	49,363	9,916	740	40	—	41,512	106,530	—	4,286	—
Birmingham (Pa.)	988,923	149,619	12,516	1,479	165	—	698,085	24,233	105,296	—	367	—
Buffalo	112,862	1,932	—	—	—	—	701	—	27	—	—	—
Butte	135,989	9,824	8,824	558	32	—	262,922	25,764	27,063	—	388	—
Caledonian-American	860,159	32,402	6,815	479	53	—	147,099	—	9,884	—	—	—
California	572,873	97,584	26,851	1,773	589	4	143,170	—	109,599	1,224	—	—
Camden	2,503,986	335,069	97,921	6,666	7,928	3,274	61,978	143,532	363,490	30	—	41,605

Capital (Cal.)	179,924	18,637	4,382	814	333	28	172	30,942	31,495	10,445	5,350	3,350
Capital (N. H.)	15,477	2,099	2	3,045	275	15	—	1,486	—	—	—	407
Carolina	317,675	42,860	17,618	3,045	275	15	—	163,951	—	39,723	—	—
Central	135,263	15,244	1,180	578	1	—	—	35,366	330,452	111,397	—	—
Central (Md.)	503,087	60,282	13,480	1,548	3,236	—7	61,891	99,210	15,265	18,006	446	1,921
Central States	—	—	—	—	—	—	—	—	—	—	—	—
Central Union	47,647	6,662	2,025	—	6	—	—	—	—	—	—	—
Charter Oak	253,162	40,969	8,841	767	381	24	—	—	—	44,417	3,307	—
Church Properties	39,376	1,084	2,408	—	—	—	—	—	—	—	—	—
Citizens (N. J.)	243,064	10,805	790	141	102	2	—	18,951	43,087	15,359	461	4,697
City of New York	737,359	98,608	36,653	8,282	617	33	—	163,247	19,218	66,291	22,348	995
Columbia (N. Y.)	319,480	40,100	9,324	703	80	—	—	86,977	—	27,464	—	—
Columbia (Ohio)	999,613	41,290	17,072	431	20	14	19,488	41,903	—	23,316	4,472	5,663
Commerce	581,481	92,884	16,307	1,041	409	424	97	162,001	129,383	85,232	35,430	—
Commercial Union (N. Y.)	432,170	71,843	21,433	1,117	470	3	—	114,424	—	87,714	979	—
Commonwealth	760,273	118,283	24,365	1,117	470	3	—	114,424	—	87,714	979	—
Concordia	624,836	97,984	31,236	3,674	153	13	166	207,977	63,876	129,952	918	2,223
Connecticut	2,059,704	338,275	92,966	1,103	965	48	34,087	312,524	52,584	52,584	1,504	10,047
Continental	8,178,832	874,154	679,036	24,342	32,134	1,174	632,549	410,593	320,021	619,271	32,242	27,751
County	256,485	23,011	796	240	—	89	30,629	1,434,254	1,150,810	918,554	27,510	145,788
Detroit Fire and Marine	451,414	43,825	24,702	1,357	84	144	61,253	23,927	—	13,897	3,634	—
Dixie	146,307	20,645	8,986	215	—	7	9,744	47,807	—	27,146	11,868	—
Dubuque Fire and Marine	964,561	245,802	46,804	266	10	1	—	228,809	2,020	98,587	—	—
Eagle (N. Y.)	322,245	27,914	6,072	310	894	—	—	50,309	—	15,745	—	—
East and West	401,885	46,409	15,185	826	476	6	—	100,778	29,398	49,474	6	3,574
Empire State	662,401	67,439	22,377	805	334	259	1,459	188,989	118,168	42,376	8,663	6,306
Equitable Fire and Marine	411,141	67,655	18,593	1,853	409	10	6,817	82,101	64,124	123,854	6,449	5,590
Excelsior	179,207	26,137	6,800	644	170	—	—	21,962	—	324	—	—
Export	17,164	823	132	—	—	—	—	—	110	5,940	15,101	—
Farmers (Pa.)	494,261	39,956	7,386	466	549	—	—	—	—	—	—	—
Federal	439,867	58,353	26,080	1,821	3,479	—	—	1,079,468	873,621	292,065	25,833	149,190
Federal Union	428,226	44,047	10,221	1,914	815	64	406	72,721	66,729	24,781	12,513	8,463
Fidelity and Guaranty	1,423,111	235,814	57,688	2,097	1,703	1,107	—	2,155,470	9,925	307,155	43,634	6,635
Fidelity-Phoenix	6,328,400	727,087	557,508	20,792	29,049	1,174	613,320	1,172,605	1,144,138	697,369	27,510	143,853
Fire Association	3,423,267	339,391	151,829	4,827	1,961	1,233	—	900,191	233,790	392,382	40	49,371
Fireman's Fund	5,317,010	473,642	122,088	13,897	14,602	538	88,096	1,533,554	2,654,149	1,875,427	23,043	673,610
Firemen's (D. C.)	89,764	2,245	—	—	—	—	—	—	—	—	—	—
Firemen's (N. J.)	5,355,740	839,560	267,738	9,458	8,267	113	1,437	2,678,807	463,390	450,720	12,895	86,114
First American	270,556	27,161	12,541	292	314	—	24,056	161,520	—	28,659	—	—
First National	282,175	101,097	9,759	30	249	—	—	74,506	—	—	—	—
Franklin Fire	2,874,466	378,896	156,799	31,431	5,906	127	—	543,127	239,620	584,503	23,813	3,517
Franklin National	210,712	33,040	18,827	704	412	5	—	75,110	2,961	22,838	370	578
Fulton	—	—	—	—	—	—	—	—	—	—	—	—
General Exchange	—	—	—	—	—	—	—	2,963,502	296,092	533,770	—	289
General Insurance	3,985,403	602,503	187,666	2,418	7,821	62	—	1,443,313	—	—	—	629
Gibraltar Fire and Marine	546,799	77,184	26,266	5,653	460	22	—	163,697	—	—	—	—
Girard Fire and Marine	624,836	71,984	31,236	1,103	965	13	166	312,528	54,062	52,584	1,504	10,047
Glens Falls	3,293,838	469,022	91,337	5,899	2,318	2,402	551	919,003	733,177	483,111	25,343	32,261
Globe and Republic	1,530,660	134,448	46,402	2,196	1,486	534	27,701	100,673	18,252	72,606	594	1,123
Globe and Rutgers	1,107,769	221,485	57,462	1,923	1,445	—	171,463	299,457	316,449	57,851	—	29,178

* Includes motor vehicle property damage.

TABLE 6.—*Net Losses Paid during 1945—Continued*

COMPANIES	Fire	Extended Coverage	Tornado, Windstorm, Cyclone, Hail (except growing crops)	Sprinkler Leakage	Biot, Civil Commotion and Explosion	Earthquake	Hail (growing crops only)	Motor Vehicles	Ocean Marine	Inland Navigation and Transportation	Aircraft	Ocean Marine (War Risk only)	Other
Stock Companies of Other States—													
Concluded													
Granite State . . .	\$820,648	\$86,625	\$7,100	\$1,872	\$2,119	\$7	\$1,194,531	\$232,947	\$733,514	\$26,616	\$231,423	—	—
Great American . . .	5,700,410	737,018	389,753	13,851	19,624	986	—	929,797	442,354	826,675	—	\$50,363	—
Hanover . . .	2,063,736	386,351	210,129	7,495	9,894	140	—	806,613	1,285,223	380,326	13,267	72,828	—
Hartford . . .	13,429,436	1,861,326	1,848,882	27,706	20,056	321	1,338,086	3,714,411	1,638,549	3,010,443	90,277	191,905	\$18,416
Home . . .	20,573,985	2,539,164	1,003,085	21,001	26,317	990	3,742,334	3,139,015	1,638,549	3,284,438	—	96,263	19,230
Home Fire and Marine . . .	1,173,885	504,570	263,984	3,068	3,224	119	19,450	338,577	312,253	220,638	2,711	33,539	43,710
Homeland . . .	419,284	53,547	12,551	752	71	—	—	145,671	42,885	70,180	744	1,492	1,563
Homestead . . .	424,415	60,893	21,208	4,666	353	19	—	103,697	19,218	65,698	—	1,984	518
Imperial Assurance . . .	440,659	11,753	11,978	964	171	—	—	114,504	—	36,177	29,943	—	—
Insurance Co. of No. America . . .	8,943,762	1,071,672	239,647	27,521	57,536	—129	1,100,285	1,763,740	2,686,655	3,169,052	78,427	338,128	12,698
Insurance Co. of State of Pa. . .	494,239	83,597	28,317	387	826	—	36,692	136,913	—	152,181	—	—	—
Inter-Ocean . . .	997,025	125,304	67,700	323	315	30	134,886	20,726	3,519	66,051	331	—	—
Jersey . . .	631,935	95,590	7,996	945	44	105	—	448,859	15,662	66,648	—	235	—
Lumbermens (Pa.) . . .	538,904	52,703	24,245	772	314	198	—	145,471	55,940	62,781	6	7,280	—
Manhattan Fire and Marine . . .	439,025	57,310	18,195	390	344	—	—	88,891	—	26,672	—	—	—
Maryland . . .	257,275	27,140	10,723	782	1,002	—	46,343	—	—	10,753	—	—	—
Mechanics and Traders . . .	456,543	71,586	40,792	1,525	1,893	11	—	162,738	6,417	49,481	803	1,252	—
Mercantile . . .	686,257	98,620	22,630	2,268	575	—	—	197,697	63,870	116,727	1,717	2,223	3,735
Mercantile (N. Y.) . . .	1,339,650	218,926	51,282	3,666	70	—	30	260,755	209,999	40,430	8,838	20,104	19
Merchants and Manufacturers . . .	918,396	80,669	27,841	1,318	892	320	16,620	60,404	10,951	43,504	356	674	—
Merchants (Colorado) . . .	448,915	60,884	25,074	211	55	45	—	127,545	—	11,481	—	—	—
Mercury . . .	933,372	175,005	33,564	1,377	788	—	193,245	369,758	—	223,952	—	—	—
Michigan Fire and Marine . . .	741,042	83,002	44,277	1,581	5,879	179	137,536	179,812	10,828	112,382	4,638	2,328	817
Milwaukee Mechanics . . .	1,695,984	265,956	84,784	2,995	2,618	36	432	848,289	146,740	142,728	4,083	27,269	—
Minneapolis Fire and Marine . . .	—	—	—	—	—	—	—	—	—	—	—	—	—
National Fire . . .	6,145,769	983,654	549,131	20,525	12,023	153	—	2,190,698	86,378	666,098	10,808	16,853	—
National Ben Franklin . . .	624,336	97,984	31,236	1,103	965	13	166	312,528	54,062	52,583	1,505	10,047	—
National Liberty . . .	32,247	—	—	—	—	—	—	—	—	197	—	—	—
National Grange . . .	2,772,604	374,066	151,786	31,382	2,333	127	—	546,554	112,235	319,734	3,517	11,589	—
National Reserve . . .	413,383	105,344	20,059	114	4	—	—	98,061	1,123	42,252	—	—	—
National Security . . .	167,696	20,094	4,493	516	1,079	—2	20,630	33,070	61,060	72,024	1,782	7,685	238
National Union . . .	3,702,621	478,466	152,335	7,017	12,349	380	69,616	953,335	136,706	734,064	67,911*	83,529	—
Newark . . .	1,389,664	138,915	32,121	6,027	2,594	201	1,278	236,552	192,913	78,377	39,351	22,217	925
New Brunswick . . .	721,545	105,227	38,254	8,279	617	33	—	245,771	19,218	66,290	—	1,985	—
New Hampshire . . .	2,355,835	278,567	75,204	3,114	486	233	—	414,787	103,748	112,667	36,489	160	—
New York Fire . . .	1,483,188	173,170	45,339	2,024	1,303	522	27,700	97,961	13,541	69,417	—	323	—
New York Underwriters . . .	766,001	73,687	25,438	869	654	4	7,058	123,795	143,622	141,324	580	16,658	—
Niagara . . .	2,772,715	218,190	72,933	4,425	5,946	351	101,358	537,055	—	151,940	—	5,862	—
North American Fire and Marine . . .	30,031	2,026	745	57	47	—	—	759,696	—	1,338	449	—	—
Northern (N. Y.) . . .	1,808,166	224,139	78,858	1,940	4,104	—	—	187,109	693,737	250,812	—	—	—
North River . . .	2,438,361	335,107	111,350	3,219	—2,656	175	341,607	187,109	693,737	150,740	32,242	47,851	—

Northwestern Fire and Marine	287,620	24,614	1,975	353	256	4	—	47,378	35,905	38,399	1,152	3,914	1
Northwestern National	1,594,155	258,542	105,284	101	329	—	—	345,158	54,955	62,349	—	1,374	—
Ohio Farmers	939,241	73,826	58,670	293	249	—	216	595,902	—	29,404	—	—	—
Orient	844,394	147,776	30,631	2,193	337	765	—	189,013	—	18,663	—	—	174
Pacific	1,121,825	170,399	14,254	1,685	79	188	—	798,772	27,778	120,161	—	418	—
Pacific National	1,889,268	228,763	78,454	5,825	1,316	282	751	349,747	27,358	372,902	20	—	—
Patriotic	373,625	41,136	20,927	369	419	—	—	135,671	—	65,866	—	—	—
Paul Revere	449,791	56,993	22,797	4,985	748	20	—	103,984	19,218	66,238	—	1,985	—
Pennsylvania	1,592,166	299,566	56,819	4,160	371	—	—	431,128	127,751	225,673	12,788	4,446	555
Philadelphia Fire and Marine	66,979	10,478	1,720	3,596	741	8	68,768	110,234	106,856	126,042	3,119	13,448	4,965
Philadelphia National	221,389	21,950	10,102	3,322	131	82	—	60,613	18,042	28,159	2	3,033	794
Phoenix	3,406,596	560,566	154,058	15,358	3,389	80	56,438	680,261	531,315	1,026,220	53,429	45,988	—
Piedmont	517,989	83,394	19,797	4,900	1,773	—	58,014	336,919	23,284	113,153	—	2,985	981
Potomac	623,833	144,436	14,888	5,17	3,081	—	—	992,400	8,329	113,153	—	1,597	—
Providence Washington	2,015,928	189,690	70,782	4,626	73	—	74,633	587,757	702,864	756,511	—	48,820	—
Providence	486,297	41,194	17,223	1,826	801	—	—	63,401	150,699	—	2,162	—	—
Quaker City	159,684	16,470	9,523	1,448	16	—	—	165,222	61,300	6,204	—	14,871	—
Queen	3,715,187	393,787	83,581	15,743	6,302	521	3,339	632,275	430,055	205,066	102,222	47,750	—
Reliance	354,597	85,135	10,163	515	209	132	—	96,980	22,264	41,564	4	4,854	—
Richmond	426,240	82,822	13,524	444	—5,134	36	29,325	68,245	—	416	—	—	—
Rochester American	451,414	43,825	24,702	1,357	—84	144	61,258	47,807	—	27,145	11,868	—	—
Saegard	339,074	69,737	11,653	841	—539	6	—	86,615	—	7,724	—	—	73
Seaboard Fire and Marine	420,405	52,338	5,328	375	1,292	—	160	85,601	141,073	55,314	4,919	2,389	—
Seaboard Insurance	107,632	17,364	4,015	754	324	25	—	28,375	25,196	9,816	—	2,680	—
Security	2,274,258	262,632	85,930	4,676	2,693	30	—	570,305	166,366	279,977	34	20,225	—
Standard (Conn.)	892,158	150,204	26,785	1,538	6,770	275	—	76,092	—	265,906	11,202	—	—
Standard (N. Y.)	481,505	81,153	22,956	—	—	—	—	—	—	—	—	—	—
Star	1,108,897	165,549	32,158	13,639	1,137	—	46,511	655,977	190,940	100,093	—	31,355	363
St. Paul Fire and Marine	1,087,375	112,641	25,543	4,849	2,206	157	1,030	180,659	116,699	64,124	31,414	13,824	—
Sun Underwriters	3,331,447	528,818	233,772	2,618	875	423	1,434,996	1,633,994	1,765,552	1,431,384	93,611	—	—
Transcontinental	237,245	32,659	5,402	262	166	—	—	105,964	—	67,795	—	—	—
Travelers	210,712	33,040	18,827	704	412	5	—	75,110	2,961	22,837	371	578	—
United Firemen's	5,025,047	167,984	14,573	7,226	742	460	—	4,455,037	—	843,024	62,824	—	—
United States Fire	443,187	55,026	12,766	991	142	—	355,295	323,520	943,538	318,819	30,677	60,363	880
Universal	527,098	250,233	2,928	—	—	—	—	473,007	415,680	47,870	29,178	—	—
Vigilant	5,104	—	—	—	—	—	—	166,549	249,542	73,222	6,381	21,604	—
Virginia Fire and Marine	48,507	6,196	2,770	195	373	—	—	85,036	—	2,584	68	—	—
Washington Assurance	439,032	73,879	15,219	422	368	296	—	57,219	—	329,513	30,587	59,154	—
Westchester	40,984	14,957	1,526	—	—	—	398,657	483,305	150,126	110,319	1,356	17,769	21,855
Western National	2,045,991	271,084	113,192	5,223	—2,888	—	—	119,498	—	—	—	—	—
World Fire and Marine	414,312	36,907	9,513	1,083	1,188	42	—	222,186	101,217	146,289	18	1,273	1,121
Zurich	618,546	89,936	30,714	146	275	73	210,084	521,181	—	—	—	—	—
Totals:	\$235,379,268	\$30,182,562	\$10,521,440	\$794,892	\$498,796	\$30,960	\$15,146,132	\$73,169,994	\$31,060,435	\$37,201,022	\$1,766,830	\$2,828,883	\$977,846

* Includes motor vehicle property damage.

TABLE 6.—*Net Losses Paid during 1945—Concluded*

COMPANIES	Fire	Extended Coverage	Tornado, Cyclone, Hail (except growing crops)	Sprinkler Leakage	Riot, Civil Commotion and Explosion	Earth-quake	Hail (growing crops only)	Motor Vehicles	Ocean Marine	Inland Navigation and Transportation	Aircraft	Ocean Marine (War Risk only)	All Other
<i>United States Companies of Other Countries</i>													
Alliance Assurance	—	—	—	—	—	—	—	\$163,747	\$389,027	\$109,099	\$12,449	\$33,595	—
Atlas Assurance	\$1,321,364	\$170,405	\$54,500	\$967	\$1,178	—	—	304,143	186,665	111,009	—	7,595	—
British America	191,096	39,021	11,163	372	—	—	\$20,270	59,388	422,060	14,518	—	—	—
British and Foreign Marine	363,763	37,683	8,390	1,611	769	\$51	343	34,367	26,434	23,345	10,357	41,200	—
Caledonian	134,401	23,417	6,447	426	141	1	—	193,653	49,087	26,437	204	—	—
Catolican	939,949	100,363	22,707	1,069	812	—	—	305,762	305,762	69,362	130	35,919	—
Century	433,119	57,489	15,101	2,391	238	2	—	462,743	269,888	382,237	3,917	35,666	—
Commercial Union Assurance	1,817,084	313,434	87,148	5,844	1,888	13	—	391,951	391,951	69,752	3,917	25,651	\$199
Eagle Star	161,227	15,831	2,768	—	—	—	—	8,172	291,593	117,387	—	15,786	—
Indemnity Marine	—	—	—	677	—	—	—	70,322	—	6,610	—	—	58
Law Union and Rock	299,241	59,592	9,029	—	—	5	—	—	373,979	226,068	108,061	43,320	—
Liverpool and London and Globe	3,798,519	392,924	87,552	16,708	8,010	533	3,573	619,689	501,385	175,258	12,449	55,722	—
London Assurance	1,086,982	133,724	42,576	909	8,044	—	—	219,492	501,385	175,258	—	—	—
London & Lancashire	1,492,301	251,871	53,717	9,046	8,284	24	—	341,278	—	35,501	—	—	774
London & Scottish Marine	156,286	15,325	4,671	412	224	—	—	23,181	—	—	—	—	—
Netherlands	327,559	50,724	10,392	1,256	709	48	—	155,767	550,789	180,983	12,449	55,269	—
North British and Mercantile	2,485,797	292,397	64,820	12,394	1,897	1,587	—	73,602	189,401	793,834	207,357	6,741	—
Northern Assurance	1,804,431	176,239	53,717	4,737	2,573	—	—	245,746	71,809	366,651	107,407	17,255	—
Norwich Union	1,433,555	139,537	30,358	1,553	4,470	—	—	181,959	270,942	66,779	—	45,563	—
Ocean Marine	—	—	—	—	—	—	—	183,469	183,469	15,583	—	10,106	—
Pacific Coast	120,780	14,372	3,775	598	59	—	—	15,824	76,440	17,341	33	8,891	—
Palatine	315,383	64,794	15,082	994	331	1	—	80,281	—	61,451	—	—	—
Phoenix Assurance	1,558,931	204,113	46,909	4,156	1,101	2	—	465,939	—	147,342	125,069	—	—
Royal	3,891,308	403,107	90,481	17,283	8,083	553	3,674	496,016	496,016	231,408	111,510	56,496	—
Royal Exchange	970,694	109,446	36,435	4,620	1,009	—	—	640,221	438,451	165,679	—	27,673	—
Scottish Union and National Sea	1,326,112	159,403	32,556	3,431	4,137	265	—	430,301	—	70,711	107	—	—
Standard Marine	136,518	18,088	8,147	562	1,076	—	—	81,428	527,372	147,158	12,449	130,323	—
Switzerland	326,565	39,482	12,145	1,540	336	—	—	54,415	488,557	446,907	—	41,000	—
Sun	1,501,822	174,740	43,682	2,876	2,611	2	—	364,372	337,251	143,728	2,193	31,730	—
"Switzerland" General	276,308	22,453	4,302	860	3,513	8	—	1,189	215,611	78,700	—	13,203	—
Thames and Mersey	208,428	21,592	4,741	918	434	28	195	330,281	238,606	13,830	5,870	30,468	—
Union Assurance	315,383	54,794	15,082	994	351	2	—	80,281	—	61,451	—	—	—
Union of Canton	434,322	20,495	12,028	494	2,563	—	—	331,705	231,705	137,435	686	34,884	—
Union Marine	157,307	21,919	5,092	387	48	—	—	10,254	293,184	17,984	12,278	45,563	—
Western Assurance	431,907	46,661	14,038	466	—	—	—	47,066	293,184	17,984	—	—	—
Yorkshire	938,481	93,710	19,048	2,623	1,827	345	29,152	64,918	194,213	105,014	—	10,334	—
Totals:	\$31,246,598	\$3,728,086	\$928,899	\$103,724	\$55,130	\$3,440	\$66,207	\$6,205,926	\$8,055,073	\$4,728,433	\$745,810	\$955,895	\$12,648

TABLE 7.—Assets Dec. 31, 1945

COMPANIES		Real Estate	Mortgages	Collateral Loans	Stocks and Bonds	Cash in Office and Banks	Premium Balances and Bills Receivable	All Other Assets	Assets Not Admitted	Admitted Assets
<i>Massachusetts Mutual Companies Other than Manufacturers</i>										
Abington	.	\$29,000	\$2,500	—	\$463,093	\$239,031	\$35,885	\$43,476	\$423	\$812,562
Allied American	.	—	—	—	2,080,915	252,282	125,948	40,429	27,504	2,472,070
Associated Merchants	.	6,704	12,800	—	57,844	108,356	7,894	20,587	1,280	212,895
Attleborough	.	—	1,450	—	78,338	46,775	6,983	3,483	—	136,046
Barnstable County	.	1,000	—	—	502,071	113,258	—	11,335	—	627,664
Berkshire	.	54,000	4,381	—	1,175,216	199,434	131,004	23,190	12,606	1,574,619
Cambridge	.	—	50,642	—	1,054,779	253,311	72,758	73,150	8,242	1,496,398
Dorchester	.	—	38,959	—	604,014	139,994	47,106	56,579	1,132	885,520
Federal	.	—	—	—	1,258,409	141,917	75,158	26,966	11,083	1,491,367
Fitchburg	.	72,000	—	—	410,506	198,551	66,481	20,797	37	768,298
Groveland	.	—	—	—	—	1,187	—	597	539	1,245
Hingham	.	10,805	—	—	853,088	246,617	37,423	17,916	639	1,165,300
Holyoke	.	150,000	—	—	3,007,440	180,248	146,549	295,432	2,492	3,786,177
Lowell	.	—	—	—	308,110	99,489	52,253	18,156	565	407,443
Lumber	.	200,000	—	—	4,015,182	490,864	74,514	143,240	77,785	4,846,015
Lynn	.	7,555	26,647	—	637,169	132,571	46,394	48,690	10,342	878,684
Merchants and Farmers	.	—	9,350	—	351,275	72,651	36,307	11,767	994	510,356
Merrimack	.	152,343	75,609	—	2,532,772	577,976	321,348	184,241	18,235	3,846,054
Middlesex	.	92,239	247,167	—	3,028,034	448,171	183,268	264,588	56,291	4,209,176
Mutual Fire Assurance	.	—	56,665	\$2,000	353,763	31,854	167	12,434	17,434	437,449
Newburyport	.	—	—	—	52,757	17,751	—	15,293	—	85,801
Norfolk and Dedham	.	—	1,500	—	2,321,747	93,074	130,545	127,724	79,594	2,618,996
Pioneer	.	22,000	—	—	13,750	55,420	19,290	510	2,394	86,576
Quincy	.	147,000	—	—	4,195,589	247,010	266,401	762,115	632	5,617,483
Salem	.	—	—	—	142,580	54,950	18,020	3,643	949	218,244
Traders and Mechanics	.	—	2,000	—	1,392,969	132,975	104,723	28,340	16,811	1,644,196
United Mutual	.	—	—	—	10,590,199	1,516,880	751,008	349,606	175,798	13,031,895
West Newbury	.	—	—	—	—	33	—	—	—	33
Worcester Mutual	.	136,500	327,075	—	3,965,125	254,881	217,085	122,623	3,255	5,020,034
Totals	.	\$1,081,236	\$856,745	\$2,000	\$45,486,734	\$6,286,511	\$2,974,512	\$2,726,907	\$528,049	\$58,886,596
<i>Mutual Companies of Other States Other than Manufacturers</i>										
Atlantic	.	—	—	—	\$16,950,844	\$3,063,212	\$618,922	\$3,756,726	\$373,390	\$27,557,135
Automobile	.	\$3,540,821	—	—	4,600,080	511,216	9,307	629,767	3,671	5,746,699
Central Manufacturers	.	130,000	\$342,055	—	9,629,979	1,016,875	635,792	364,162	24,072	12,094,791
Employers	.	—	—	—	1,042,604	282,034	46,113	34,964	9,590	1,396,125

Grain Dealers	145,729	44,360	-	4,466,865	467,922	428,509	214,372	12,280	5,755,477
Hardware Dealers	26,098	250	-	9,246,264	1,557,252	321,881	113,757	81,696	11,183,806
Hardware Mutual	280,472	-	-	5,905,010	1,067,760	639,162	237,844	78,137	8,052,111
Indiana Lumbermen's	241,758	55,040	-	3,833,432	523,346	268,911	238,280	44,907	5,115,860
Lumbermen	83,195	46,751	-	3,568,506	481,792	247,923	108,192	71,460	4,464,884
Lumbermen and Merchants	-	-	-	1,202,274	69,597	23,737	46,265	27,741	1,321,327
Merchants and Business Men's	-	-	-	1,655,231	330,713	30,573	262,398	77,342	2,993,780
Michigan Millers	451,631	711,898	-	3,993,660	555,835	321,421	460,282	57,398	5,844,407
Millers Mutual (Ill.)	155,551	9,000	-	3,900,300	467,357	230,712	25,902	14,425	4,754,800
Millers Mutual (Pa.)	94,571	183,974	-	1,668,988	255,239	69,607	20,371	16,252	2,276,325
Millers Mutual (Texas)	112,500	134,885	-	1,835,914	393,133	166,780	96,228	34,362	2,705,078
Millers National	14,743	-	-	6,333,445	1,016,567	560,974	168,972	69,121	8,025,580
Mill Owners Mutual (Iowa)	237,864	26,000	-	2,787,878	370,543	309,252	85,562	20,439	3,796,960
Mutual of Saco	44,996	-	-	1,762,823	35,776	23,091	7,613	5,361	282,938
Mutual Improvement	308,683	1,800	-	7,815,697	1,149,677	331,523	76,597	59,372	9,624,905
National Retailers	108,747	86,902	-	4,648,136	633,460	8,023	251,846	43,369	5,693,745
Northwestern Mutual	30,292	212,405	-	11,471,579	1,831,763	1,011,789	1,267,424	229,947	15,651,848
Ohio Mutual	-	13,800	-	381,466	53,405	16,416	20,806	-	485,893
Pawtucket	178,437	47,320	-	2,377,691	170,718	159,169	150,831	4,492	3,079,014
Pennsylvania Lumbermen's	266,113	149,519	-	3,916,714	765,034	171,315	147,982	124,402	5,292,275
Pennsylvania Millers	93,000	-	-	4,101,868	359,841	158,415	73,653	13,789	4,742,188
Phenix	-	-	-	634,892	41,088	12,492	37,805	12,639	713,638
Providence Mutual	145,917	26,019	-	1,444,474	71,189	21,107	108,235	6,166	1,870,735
Union Mutual	33,024	30,160	-	1,682,421	580,320	263,075	173,851	10,894	2,688,773
Utica (Mutual)	-	-	-	530,008	53,460	48,718	849	20,218	676,001
Vermont	50,000	-	-	1,007,300	88,505	85,651	20,534	1,984	1,250,006
Totals	\$6,822,642	\$2,241,114	\$95,552	\$122,809,183	\$18,264,609	\$7,240,360	\$9,262,090	\$1,598,686	\$165,136,864
<i>Massachusetts Manufacturers' Mutuals</i>									
Arkwright	-	-	-	-	\$187,075	\$428,196	\$144,678	\$169,817	\$11,195,381
Boston Manufacturers	-	-	-	10,305,249	546,776	445,078	529,532	177,665	13,471,350
Cotton and Woollen	-	-	-	12,127,629	383,265	178,261	277,353	39,819	8,081,670
Fall River Manufacturers'	-	-	-	7,282,610	340,305	114,653	179,964	10,430	3,896,319
Worcester Manufacturers'	-	-	-	3,406,916	239,539	114,653	164,051	27,299	3,537,860
Totals	-	-	-	\$36,242,709	\$1,788,482	\$1,280,841	\$1,295,578	\$425,030	\$40,182,580
<i>Manufacturers' Mutuals of Other States</i>									
Blackstone	-	-	-	\$10,087,785	\$837,086	\$56,088	\$576,006	\$89,488	\$11,467,477
Bremen's	-	-	-	11,180,653	2,211,215	86,131	1,472,817	114,475	14,906,251
Manufacturers'	\$60,223	\$9,687	-	32,240,916	1,772,000	735,679	3,395,321	296,262	37,847,654
Philadelphia Manufacturers	-	-	-	3,166,916	222,360	115,498	176,060	14,181	3,665,898
Protection Mutual	-	-	-	3,958,963	539,267	-	433,058	4,784	4,764,116
What Cheer	-	-	-	4,392,348	262,680	225,800	80,287	90,202	5,070,913
Totals	\$60,223	\$9,687	-	\$65,226,826	\$5,844,608	\$1,056,808	\$6,133,549	\$609,392	\$77,722,309

TABLE 7.—Assets Dec. 31, 1945—Continued

COMPANIES	Real Estate	Mortgages	Collateral Loans	Stocks and Bonds	Cash in Office and Banks	Premium Balances and Bills Receivable	All Other Assets	Assets Not Admitted	Admitted Assets
<i>Massachusetts Stock Companies</i>									
Boston									
Employers'	\$1,126,243	\$20,490	—	\$18,924,181	\$1,482,948	\$974,856	\$10,500,608	\$580,784	\$32,448,542
Massachusetts	—	—	—	8,115,207	841,577	1,362,399	294,397	83,046	10,630,534
New England	—	—	—	3,204,484	88,281	84,373	557,882	3,925,417	3,925,417
Old Colony	—	119,124	—	2,882,268	92,361	82,753	43,344	27,975	3,191,875
Sentinel	—	—	—	10,260,415	350,525	372,332	2,222,449	116,573	13,089,169
Springfield Fire and Marine	200,000	647,308	—	2,811,747	86,255	82,704	275,753	7,590	3,248,868
Totals	\$1,326,243	\$786,922	—	\$82,758,182	\$6,347,720	\$7,156,033	\$18,095,502	\$1,355,948	\$115,114,654
<i>Stock Companies of Other States</i>									
Aetna	\$2,730,707	—	—	\$64,144,098	\$7,826,185	\$2,240,129	\$4,799,011	\$1,563,565	\$80,176,565
Agricultural	302,378	\$1,523,084	\$20,500	14,050,920	2,089,045	1,520,883	1,837,525	78,215	21,296,130
Albany	107,000	169,546	—	2,632,969	338,518	179,291	331,933	30,046	3,739,211
Allemania	80,000	248,164	—	5,331,148	505,614	264,228	547,067	924	6,975,297
Alliance (Pa.)	—	—	—	10,293,177	1,532,877	644,273	2,434,282	125,098	14,779,511
Allied Fire (Utica)	5,421	17,252	—	931,732	4,212,958	78,418	99,721	1,398	1,273,604
American (N. J.)	—	—	—	42,026,065	4,540,663	2,337,457	6,123,476	260,929	58,406,127
American Alliance	—	—	—	9,722,737	478,984	1,115,389	2,031,598	37,342	12,549,923
American Automobile	—	—	—	4,763,447	528,599	148,657	172,000	27,723	6,551,712
American Aviation	—	—	—	1,370,071	125,785	558,048	150,035	15,207	1,779,341
American Central	—	—	—	7,228,313	845,469	354,180	354,180	16,308	8,969,502
American Druggists'	779,504	20,805	—	1,318,274	175,656	68,146	33,470	6,636	2,389,219
American Eagle	4,363,646	15,036	—	15,835,290	1,558,521	734,004	4,861,013	30,984	27,536,546
American Equitable	—	—	—	15,969,298	1,543,201	948,223	4,361,051	10,580	22,811,193
American and Foreign	—	—	—	8,117,623	744,176	288,643	720,050	12,531	9,857,961
American National	—	—	—	1,223,756	41,197	—	201,363	1,197	1,465,119
American Reserve	—	—	—	6,198,068	725,322	254,024	418,367	124,681	7,471,100
American Union	—	92,170	—	3,222,411	345,931	285,519	80,853	46,142	3,980,742
Anchor	—	—	—	2,704,515	579,256	154,141	253,916	27,953	3,663,875
Automobile	38,680	5,879	—	34,785,543	4,152,960	2,955,910	2,677,034	136,173	44,479,833
Baltimore American	122,148	—	—	7,121,462	331,909	66,745	1,087,205	69,484	8,659,985
Bankers and Shippers	—	—	—	6,670,818	512,881	554,791	709,057	31,280	8,416,297
Birmingham (Pa.)	20,105	211,021	—	2,139,960	130,617	24,611	149,590	2,275	2,673,629
Buffalo	1,135,077	334,827	—	4,948,404	783,414	508,464	365,089	90,920	7,984,385
Caledonian-American	—	32,882	—	1,672,609	138,867	138,182	86,287	180,915	1,907,912
California	603,230	10,990	—	4,431,861	323,108	354,811	220,846	24,830	5,921,776
Camden	251,693	521,505	—	14,011,562	1,536,090	1,186,828	1,154,746	79,429	18,582,805
Capital (Cal.)	—	—	—	2,381,314	193,278	215,703	176,447	2,774	2,963,968
Capital (N. H.)	—	45,600	—	396,947	55,638	8,924	46,393	338	553,164
Carolina	—	8,795	—	2,578,012	267,775	10,192	405,661	7,506	3,262,929

Centennial	3,243,529	309,471	84,818	116,340	39,437	3,714,721
Central (Md.)	3,308,491	1,522,831	202,839	1,081,032	20,245	6,004,948
Central States	2,058,940	268,728	124,461	121,158		2,580,130
Central Union	1,691,460	209,350	125,514	43,879	42,092	2,030,180
Charter Oak	3,211,537	558,492	74,548	14,085	4,735	3,833,927
Church Properties	783,977	16,720	—	66,043	—	857,890
Citizens (N. Y.)	3,690,396	528,095	5,518	232,296	9,100	4,447,205
City of New York	5,347,936	326,383	62,079	1,087,805	17,237	6,806,966
Columbia (N. Y.)	3,573,340	182,787	205,680	142,242	59,757	4,044,292
Columbia (Ohio)	3,258,201	380,210	290,012	612,931	4,430	4,586,924
Commerce	5,322,897	203,229	268,898	1,215,403	51,626	7,017,301
Commercial Union (N. Y.)	3,023,218	474,848	305,022	294,302	23,634	4,073,756
Commonwealth	7,140,044	856,239	518,505	918,308	27,510	9,405,586
Concordia	4,289,717	319,917	517,706	376,699	8,481	5,981,591
Connecticut	2,941,383	1,744,830	1,119,642	2,832,754	55,760	30,787,739
Continental	103,953,172	5,396,087	3,429,423	46,325,480	228,400	159,267,735
County	2,800,273	114,697	70,366	485,891	51,461	3,449,974
De Troy Fire and Marine	4,053,555	180,108	132,026	713,620	21,321	5,291,125
Dixie	1,766,934	372,217	172,277	334,813	8,543	2,917,698
Dubuque Fire and Marine	4,505,709	607,900	934,005	724,481	17,154	6,769,978
Eagle (N. Y.)	2,301,669	127,231	120,126	94,035	4,102	2,638,959
East and West	4,164,516	234,228	150,526	360,948	5,174	4,929,859
Empire State	7,701,220	257,939	159,331	265,065	48,612	9,334,943
Equitable Fire and Marine	4,403,500	965,992	403,115	670,735	29,537	5,436,805
Excelsior	1,255,991	70,368	91,163	115,897	388	1,590,134
Export	1,050,000	124,955	67,102	31,472	18,410	1,255,119
Farmers (Pa.)	2,740,321	403,754	135,044	342,910	9,341	3,850,219
Federal	2,691,489	2,873,150	370,871	4,821,243	318,959	32,665,052
Federal Union	3,739,651	1,802,764	326,966	182,867	13,172	4,539,076
Fidelity and Guaranty	9,742,170	1,903,066	1,514,074	804,491	38,354	11,144,320
Fidelity-Phoenix	80,458,166	5,202,994	2,289,969	44,641,719	203,113	132,711,835
Fire Association	2,637,055	1,732,389	1,891,993	4,563,925	1,702,959	32,004,427
Freeman's Fund	70,718,631	6,967,680	2,418,970	16,875,718	637,426	98,513,064
Fremen's (D. C.)	556,471	61,849	26,856	202,940	8,016	1,270,578
Fremen's (N. J.)	43,001,045	2,484,398	2,069,198	2,703,134	481,296	54,848,473
First American	4,451,407	583,738	297,858	1,031,875	39,022	6,335,856
First National	2,814,060	171,226	296,744	133,998	3,500	3,412,528
Franklin Fire	1,427,889	21,427,345	164,561	3,901,436	113,677	26,917,554
Franklin National	4,689,924	688,896	236,275	158,889	16,502	5,757,482
Fulton	1,400,255	134,258	257,947	230,589	6,407	2,016,642
General	15,968,720	1,619,735	40,224	7,081,089	1,804,425	22,905,343
General Exchange	23,206,746	2,338,901	1,256,465	6,285,953	359,678	33,782,639
General Insurance	3,815,550	166,334	43,046	678,285	9,073	4,694,142
Gibraltar Fire and Marine	3,587,801	301,156	582,157	419,967	124,245	6,412,691
Giant Fire and Marine	24,935,032	2,181,097	362,589	7,226,712	355,736	34,670,234
Globe and Republic	651,003	750,792	366,329	1,750,798	26,505	8,994,270
Globe and Rutgers	13,370,945	2,089,376	473,703	290,755	633,134	15,591,645
Granite State	4,596,569	474,294	366,834	314,741	18,154	5,835,279
Great American	47,963,285	6,575,056	3,752,435	14,859,064	317,181	72,832,659
Hanover	21,778,287	2,024,535	1,197,135	3,534,517	39,937	28,495,417
Hartford	106,718,747	19,845,081	7,637,402	59,184,403	479,234	196,727,951
Home	102,846,009	21,337,887	9,200,025	36,062,538	887,731	172,203,602

TABLE 7.—Assets Dec. 31, 1945—Continued

COMPANIES	Real Estate	Mortgages	Collateral Loans	Stocks and Bonds	Cash in Office and Banks	Premium Balances and Bills Receivable	All Other Assets	Assets Not Admitted	Admitted Assets
<i>Stock Companies of Other States—Concluded</i>									
Home, Fire and Marine	—	—	—	\$10,368,065	\$1,271,982	\$681,002	\$1,960,298	\$60,500	\$14,220,847
Homestead	—	—	—	3,324,679	611,812	443,820	373,897	13,167	4,941,041
Homestead	—	—	—	3,373,937	205,364	10,510	524,099	6,792	4,107,188
Imperial Assurance	—	—	—	4,208,551	289,788	192,211	157,511	33,901	4,814,160
Insurance Co. of North America	\$5,330,000	\$16,400	—	119,972,605	22,384,374	4,299,194	47,542,620	954,935	198,590,258
Insurance Co. of State of Pa.	182,588	—	—	3,712,626	680,021	400,403	879,809	205,494	5,649,953
Inter-Ocean	148,347	—	\$17,000	4,111,041	383,657	471,832	265,258	49,995	5,782,658
Jersey	—	9,300	—	4,442,744	422,280	354,385	304,024	10,314	5,522,419
Lumbermens (Pa.)	—	41,613	—	4,535,138	571,148	298,961	1,301,257	3,888	6,744,229
Manhattan Fire and Marine	—	—	—	3,440,208	270,159	284,430	147,097	13,736	4,128,167
Maryland	—	—	—	3,183,082	344,570	434,182	336,518	21,380	4,296,972
Mechanics and Traders	—	—	—	6,495,213	681,587	263,713	722,197	46,455	7,516,575
Mercantile	—	—	—	6,803,834	847,301	506,584	763,764	19,457	8,901,826
Merchants (N. Y.)	150,694	116,253	—	14,941,088	1,538,672	530,672	9,318,898	49,038	26,547,839
Merchants and Manufacturers	—	—	—	4,335,593	465,213	220,783	1,308,365	16,045	6,313,909
Merchants (Colorado)	—	354,865	—	2,296,364	155,525	232,242	43,329	13,046	3,009,269
Mercury	—	—	—	7,912,242	480,433	499,186	145,301	110,471	8,939,473
Michigan Fire and Marine	12,782	—	—	5,116,960	296,081	331,077	256,220	33,018	6,035,079
Midway Fire and Marine	39,695	28,064	—	11,540,029	636,561	1,173,101	878,040	245,899	15,712,261
Minneapolis Fire and Marine	514,618	1,215,211	—	2,632,766	197,878	304,017	148,376	—	3,287,037
Minneapolis Fire and Marine	282,095	4,000	—	47,297,524	3,767,194	2,583,411	8,043,784	64,609,722	58,918,453
National Ben Franklin	3,763,603	200,757	—	4,278,141	327,802	529,925	448,463	1,127,889	759,876
National Fire	235,000	16,503	—	683,745	42,691	14,159	3,158,229	174,385	26,445,636
National Grange	—	—	—	2,286,971	945,379	225,989	332,970	8,012	3,142,177
National Liberty	—	3,453	—	2,251,552	442,232	123,435	173,870	53,293	3,815,161
National Reserve	—	—	—	3,063,305	470,469	161,810	1,166,902	488,436	26,674,450
National Security	—	—	—	20,483,468	1,076,751	2,296,388	14,062,256	14,062,256	—
National Union	—	—	—	11,929,493	559,575	548,157	1,031,591	127,027	6,276,379
Newark	757,706	22,510	—	351,304	83,129	804,492	74,236	22,606,017	9,928,001
New Brunswick	—	—	—	4,994,421	1,226,045	1,260,678	4,320,653	4,558	12,184,595
New Hampshire	200,000	—	—	15,813,101	761,512	367,073	1,248,763	113,393	38,982,153
New York Fire	59,778	—	—	7,555,209	1,817,923	413,116	1,097,385	65,506	21,106,463
New York Fire	—	—	—	8,959,714	1,817,923	413,116	1,097,385	28,101	13,572,953
New York Underwriters	—	9,850	—	27,457,228	1,072,438	1,069,085	9,448,809	33,590,199	33,590,199
Niagara	—	—	—	2,145,550	43,127	726	5,161	40,082	3,600,643
North American Fire and Marine	—	—	—	11,764,981	1,506,260	965,807	1,369,000	13,433	22,470,032
Northern (N. Y.)	—	33,636	—	25,222,866	3,238,915	1,286,963	3,788,435	76,593	27,470,032
North River	1,000	92,102	—	25,222,866	3,238,915	1,286,963	3,788,435	76,593	27,470,032
Northwestern Fire and Marine	44,628	35,650	—	2,991,584	187,164	—	355,050	188,670	7,476,469
Northwestern National	421,897	497,100	—	17,205,602	650,536	874,267	2,897,223	7,384	18,870
Ohio Farmers	136,958	40,122	—	6,584,256	695,210	350,011	1,628,926	29,962	10,063,434
Orient	322,667	—	—	5,885,321	378,285	359,652	719,214	153,640	12,561,071
Pacific	15,055	4,750	—	7,808,485	540,560	631,631	1,092,915	—	—
Pacific National	250,000	—	—	9,488,267	747,634	567,155	1,661,655	—	—

Patriotic	-	-	-	-	-	3,209,173	213,799	180,814	430,835	55,459	3,979,162
Paul Revere	-	-	-	-	-	3,787,016	281,211	28,057	681,402	14,387	4,791,719
Pennsylvania	-	-	-	-	-	14,288,877	1,904,109	1,032,496	1,940,321	70,007	19,115,796
Philadelphia Fire and Marine	-	-	-	-	-	6,050,649	656,993	342,716	1,628,234	56,814	8,621,748
Philadelphia National	-	-	-	-	-	2,894,760	264,232	211,318	453,244	7,054	3,832,628
Phoenix	-	-	-	-	-	42,785,910	3,444,409	3,564,809	31,223,681	404,646	81,386,008
Piedmont	-	-	-	-	-	3,680,470	489,230	503,906	104,127	101,930	4,795,159
Potomac	-	-	-	-	-	5,910,944	892,004	298,954	322,872	14,407	7,421,367
Providence Washington	-	-	-	-	-	17,117,337	2,483,855	1,464,414	2,689,381	94,215	23,760,772
Providence	-	-	-	-	-	3,556,707	185,676	295,471	148,714	43,124	4,153,447
Quaker City	-	-	-	-	-	3,770,311	297,182	146,431	137,217	29,652	4,311,489
Queen	-	-	-	-	-	28,213,215	1,409,909	877,220	1,586,027	53,417	32,030,954
Reliance	-	-	-	-	-	3,955,694	334,003	288,501	580,494	59,804	5,517,275
Richmond	-	-	-	-	-	5,160,009	440,496	187,273	520,402	32,554	6,104,472
Rochester American	-	-	-	-	-	4,864,033	232,793	134,158	735,726	10,685	5,976,025
Rochester	-	-	-	-	-	2,973,947	303,576	194,168	480,749	83,873	3,868,507
Safeguard	-	-	-	-	-	3,033,620	740,607	286,544	28,483	141,543	4,147,711
Seaboard Fire and Marine	-	-	-	-	-	1,709,511	162,566	174,149	90,465	4,742	2,134,344
Seaboard Insurance	-	-	-	-	-	13,189,891	1,009,837	1,190,980	3,407,126	288,024	19,549,739
Security	-	-	-	-	-	6,876,654	928,313	558,270	302,385	4,880	8,660,742
Standard (Conn.)	-	-	-	-	-	2,791,713	287,395	165,934	340,015	66,169	3,978,499
Standard (N. J.)	-	-	-	-	-	8,380,843	1,315,303	672,577	270,605	122,135	10,517,258
Standard (N. Y.)	-	-	-	-	-	7,284,706	355,607	322,657	452,379	18,358	8,896,991
Star	-	-	-	-	-	46,569,118	3,837,203	4,541,858	11,047,593	94,855	66,806,637
St. Paul Fire and Marine	-	-	-	-	-	1,919,044	192,163	148,876	62,544	41,661	2,280,966
Sun Underwriters	-	-	-	-	-	4,296,090	814,981	335,642	307,713	26,982	5,727,444
Transcontinental	-	-	-	-	-	33,688,482	2,239,816	2,933,029	1,048,638	98,398	39,811,567
Travelers	-	-	-	-	-	3,968,152	397,089	350,250	157,670	94,828	4,902,415
United Brethren's	-	-	-	-	-	36,486,441	6,576,879	2,706,362	6,838,166	46,252	52,655,097
United States Fire	-	-	-	-	-	3,296,159	1,150,440	128,552	442,395	28,847	4,988,699
Universal	-	-	-	-	-	4,395,571	791,904	52,567	137,169	12,719	5,364,492
Vigilant	-	-	-	-	-	3,282,326	257,035	234,095	219,740	1,986	4,012,810
Virginia Fire and Marine	-	-	-	-	-	2,381,762	125,168	44,672	277,351	8,717	2,891,083
Washington Assurance	-	-	-	-	-	20,867,863	3,455,452	2,025,600	3,027,838	191,684	29,438,943
Westchester	-	-	-	-	-	5,869,000	624,649	346,944	1,047,891	30,192	7,858,292
Western National	-	-	-	-	-	6,862,771	966,686	635,025	178,537	133,902	8,509,097
World Fire and Marine	-	-	-	-	-	2,309,492	394,321	77,311	126,487	42,691	2,864,920
Zurich	-	-	-	-	-	-	-	-	-	-	-
Totals	\$48,270,651	\$14,191,957	\$125,372	\$2,043,851,090	\$229,036,300	\$118,293,123	\$199,726,155	\$20,979,649	\$2,932,374,999		
<i>United States Branches, Companies of Other Countries</i>											
Alliance Assurance	-	-	-	-	-	\$3,386,930	\$1,737,405	\$91,455	\$245,095	\$71,315	\$5,399,570
Atlas Assurance	-	-	-	-	-	7,031,210	1,172,433	754,011	753,505	105,668	9,605,491
British America	-	-	-	-	-	2,722,701	622,705	79,210	198,755	511	3,322,860
British and Foreign Marine	-	-	-	-	-	5,369,695	635,853	100,326	190,761	19,448	6,337,187
British General	-	-	-	-	-	1,167,620	124,028	73,760	96,069	16,105	1,476,161
Caledonian	\$341,102	-	-	-	-	4,319,524	317,054	412,348	73,600	200,178	5,866,431
Century	-	-	-	-	-	4,727,466	492,490	208,401	974,764	42,991	6,360,130
Commercial Union Assurance	1,206,950	-	-	-	-	11,959,680	4,224,984	1,295,180	889,397	427,819	19,148,372
Eagle Star	-	-	-	-	-	4,000,736	346,381	574,272	401,753	2,557	5,290,585
Indemnity Marine	-	-	-	-	-	1,413,687	618,938	169,063	199,641	2,194	2,899,135

TABLE 7.—Assets Dec. 31, 1945—Concluded

COMPANIES	Real Estate	Mortgages	Collateral Loans	Stocks and Bonds	Cash in Office and Banks	Premium Balances and Receivable	All Other Assets	Assets Not Admitted	Admitted Assets
<i>United States Branches, Companies of Other Countries</i>									
<i>— Concluded</i>									
Law Union and Rock	—	—	—	\$2,125,136	\$248,971	\$165,357	\$15,827	\$86,950	\$2,608,341
Liverpool and London	—	—	—	20,637,344	1,630,426	1,365,884	1,309,934	110,380	24,833,208
London Assurance	—	—	—	9,063,130	1,265,215	747,243	1,553,348	82,140	12,553,796
London & Lancashire	—	\$7,000	—	6,570,163	850,953	730,153	909,455	210,495	8,850,229
London and Scottish	—	—	—	1,511,486	119,362	67,405	58,327	52,948	1,703,632
Marine	—	—	—	6,532,137	1,692,534	103,283	269,904	91,119	8,506,739
Netherlands	—	—	—	1,706,529	218,179	201,762	141,245	188,033	2,079,682
North British and Mercantile	—	—	—	2,262,063	—	594,654	2,015,776	310,601	18,322,773
Northern Assurance	\$695,185	—	—	13,760,881	1,368,109	1,101,316	446,143	80,221	11,241,866
Norwich Union	175,000	—	—	7,711,334	—	419,575	287,311	33,200	7,650,435
Ocean Marine	—	—	—	6,340,535	461,214	20,274	18,126	43,443	1,668,254
Pacific Coast	—	—	—	1,432,830	240,467	86,891	93,055	14,401	1,910,958
Palatine	—	—	—	1,556,147	189,266	168,067	337,888	13,676	3,719,112
Phoenix Assurance	—	7,861	—	3,038,804	180,168	829,325	164,305	223,828	8,764,170
Royal Exchange	228,579	6,000	—	7,141,233	438,566	1,190,377	1,833,952	187,280	28,990,506
Scottish Union and National	387,375	—	—	23,027,874	2,736,208	831,316	444,755	149,486	8,244,410
Sea	—	—	—	6,499,902	617,923	723,115	220,712	78,175	9,444,133
Standard Marine	350,505	236,882	—	6,375,262	1,015,832	128,999	320,510	106,659	7,798,730
State Assurance	—	—	—	5,322,957	998,555	239,324	435,316	150,988	6,845,111
Sun	—	—	—	1,607,048	74,351	27,531	91,346	32,761	1,767,515
"Switzerland" General	—	—	—	7,184,940	1,028,910	797,279	912,547	100,149	9,823,527
Thames and Mersey	—	—	—	2,234,978	806,473	10,766	79,708	46,682	3,085,243
Union Assurance	—	—	—	3,308,192	357,757	55,685	140,779	5,105	3,857,308
Union of Canton	—	—	—	2,519,176	150,680	125,965	135,676	28,614	2,902,883
Union Marine	—	—	—	4,826,958	1,094,368	216,738	282,908	74,124	6,346,848
Western Assurance	—	—	—	3,898,909	404,155	206,101	124,138	116,467	4,516,836
Yorkshire	—	1,928	—	4,679,204	801,350	303,454	131,676	40,594	5,875,090
Totals	\$3,384,696	\$288,460	—	\$216,968,361	\$33,045,480	\$15,443,623	\$17,791,226	\$3,591,016	\$283,330,830

<i>Recapitulation</i>									
Massachusetts mutual Companies other than manu- facturers (29 Companies)	\$1,081,236	\$856,745	\$2,000	\$45,486,734	\$6,286,511	\$2,974,512	\$2,726,907	\$528,049	\$58,886,596
Mutual companies of other states other than manu- facturers (30 Companies)	6,822,642	2,241,114	95,552	122,809,183	18,264,609	7,240,360	9,262,090	1,598,686	165,136,864
Massachusetts manufacturers' mutuals (5 Companies)	-	-	-	36,242,709	1,788,482	1,280,841	1,295,578	425,030	40,182,580
Manufacturers' mutuals of other states (6 Com- panies)	60,223	9,687	-	65,226,826	5,844,608	1,056,808	6,133,549	609,392	77,722,309
Massachusetts stock companies (7 Companies)	1,326,243	786,922	-	82,758,182	6,347,720	7,156,033	18,095,502	1,355,948	115,114,654
Stock companies of other states (161 Companies)	48,270,651	14,191,957	125,372	2,043,851,090	229,096,300	118,293,123	499,726,155	20,979,649	2,932,574,999
United States branches, companies of other countries (38 Companies)	3,384,696	288,460	-	216,968,361	33,045,480	15,443,623	17,791,226	3,591,016	283,330,830
Totals (276 Companies)	\$60,945,691	\$18,374,885	\$222,924	\$2,613,343,085	\$300,673,710	\$153,445,300	\$555,031,007	\$29,087,770	\$3,672,948,832

TABLE 8.—*Liabilities Dec. 31, 1945*

COMPANIES	Net Unpaid Losses	Unearned Premiums	Taxes Due or Accrued	All Other Liabilities	Total Liabil- ities, except Capital	SURPLUS TO POLICYHOLDERS			
						Capital	Contingent Reserves	Unassigned Funds	Total
<i>Massachusetts Mutual Companies</i>									
<i>Other than Manufacturers</i>									
Abington	\$30,612	\$370,875	\$6,000	\$6,054	\$413,541	—	—	\$399,021	\$299,021
Allied American	182,254	724,598	51,054	228,558	1,186,464	\$100,000*	\$100,000	1,085,606	1,285,606
Associated Merchants	6,774	70,710	576	4,329	82,389	—	—	130,506	130,506
Auduborough	2,557	59,738	411	1,217	63,923	—	—	72,123	72,123
Barnstable County	8,017	135,647	4,080	518	148,262	—	—	479,402	479,402
Berkshire	100,000	947,287	23,500	28,235	1,099,022	—	43,000	432,597	475,597
Cambridge	71,254	811,273	20,000	11,788	914,315	—	30,000	552,083	582,083
Dorchester	44,124	418,602	8,000	8,527	479,253	—	—	406,267	406,267
Federal	113,231	711,410	24,313	62,013	910,967	100,000*	—	480,400	580,400
Fitchburg	32,557	448,815	9,424	7,499	498,295	—	—	270,003	270,003
Groveland	1,050	—	9	249	1,308	—	—	—	63
Hingham	21,991	430,806	7,500	5,435	465,732	—	—	699,568	699,568
Holyoke	100,214	1,186,144	46,614	43,086	1,376,058	100,000*	—	2,310,119	2,410,119
Lowell	25,417	261,063	7,800	5,845	300,125	—	—	107,318	107,318
Lumber	234,534	1,371,157	59,784	49,395	1,714,870	—	—	3,131,145	3,131,145
Lynn	29,476	314,735	8,770	6,748	359,749	—	—	518,935	518,935
Merchants and Farmers	22,609	260,087	5,473	13,306	301,475	—	—	208,881	208,881
Merrimack	166,037	2,221,754	66,200	74,488	2,528,479	100,000*	25,000	1,192,575	1,317,575
Middlesex	115,855	1,254,079	44,792	28,466	1,443,192	—	—	2,765,984	2,765,984
Mutual Fire Assurance	636	63,928	36	440	65,040	—	—	372,409	372,409
Newburyport	203	5,318	20	—	5,541	—	—	80,260	80,260
Norfolk and Dedham	65,028	971,234	31,000	42,010	1,109,272	—	—	1,507,724	1,507,724
Pioneer	16,641	40,967	1,260	28,574	87,442	—	—	—	—
Quincy	112,906	2,035,077	78,597	20,871	2,247,451	—	—	3,370,032	3,370,032
Salem	8,300	134,714	1,200	1,805	146,019	—	—	72,225	72,225
Traders and Mechanics	60,922	660,686	20,000	15,307	756,915	—	—	887,281	887,281
United Mutual	919,175	6,813,980	203,000	571,677	8,307,832	—	491,268	4,032,795	4,524,063
West Newbury	—	—	10	1,550	1,560	—	—	—	—
Worcester Mutual	73,998	1,125,782	62,378	31,359	1,293,517	—	—	3,726,517	3,726,517
Totals	\$2,566,372	\$23,850,486	\$791,801	\$1,299,349	\$28,508,008	\$400,000	\$689,268	\$29,289,320	\$30,378,588
<i>Mutual Companies of Other States</i>									
<i>Other than Manufacturers</i>									
Atlantic	\$5,134,473	\$4,356,239	\$745,400	\$3,123,163	\$13,359,275	\$3,000,000†	\$3,513,661	\$7,684,199	\$14,197,860
Automobile	19,685	282,629	30,980	297,958	631,252	250,000†	800,000	4,065,447	5,115,447
Central Manufacturers	957,696	6,016,194	255,667	830,577	8,060,134	—	300,000	3,734,657	4,034,657
Employers	59,538	637,261	24,442	123,564	844,805	250,000†	—	301,320	551,320
Grain Dealers	481,457	3,063,847	125,383	309,047	3,979,734	200,000†	—	1,575,743	1,775,743

Hardware Dealers'	507,290	5,825,154	186,201	480,226	6,998,871	200,000†	461,675	3,523,260	4,184,935
Hardware Mutual	449,052	4,880,388	162,438	250,672	5,749,370	500,000†	—	1,802,541	2,302,541
Indiana Lumbermen's	373,780	2,601,017	99,000	177,546	3,244,343	200,000†	—	1,671,517	1,871,517
Lumbermen	294,492	2,587,910	91,000	276,239	3,249,641	200,000†	235,397	779,846	1,215,293
Manufacturers and Merchants	16,935	257,981	7,119	47,264	329,269	210,325*	—	781,203	902,098
Merchants and Business Men's	47,446	501,261	40,501	7,639	596,846	—	—	2,396,954	2,396,954
Mechanix Millers	480,135	2,838,221	91,190	222,253	3,631,799	250,000†	—	1,962,608	2,212,608
Millers Mutual (Ill.)	303,608	1,959,326	70,000	119,132	2,452,066	200,000†	—	2,102,734	2,302,734
Millers Mutual (Pa.)	99,228	613,672	31,000	40,382	784,282	200,000†	200,000	1,092,043	1,462,043
Millers Mutual (Texas)	173,197	1,212,560	45,000	102,117	1,532,874	250,000†	50,000	872,204	1,172,204
Millers National	670,022	4,169,806	134,537	452,512	5,426,877	1,000,000†	130,768	1,467,935	2,598,703
Mill Owners Mutual (Iowa)	315,194	2,441,162	101,078	36,016	2,893,450	200,000†	25,000	678,210	903,210
Mutual of Saco	11,748	150,186	5,525	2,783	170,242	32,500†	—	80,196	112,696
Mutual Implement	562,375	6,042,964	177,000	485,192	7,267,531	300,000	300,000	1,857,074	2,357,074
National Retailers	585,217	2,849,642	138,939	336,034	3,929,832	500,000†	100,000	1,163,913	1,763,913
Northwestern Mutual	1,035,552	9,784,290	296,544	868,198	11,984,593	200,000	200,000	3,467,255	3,667,255
Ohio Mutual	5,253	81,959	2,242	31,896	121,350	100,000†	—	264,543	364,543
Pawtucket	102,912	1,987,036	56,860	99,995	1,647,803	1,331,211	100,000	1,331,211	1,431,211
Pennsylvania Lumbermen's	329,450	2,058,422	106,035	249,069	2,743,002	—	643,821	1,905,452	2,549,273
Pennsylvania Millers	164,447	1,143,955	54,000	94,184	1,458,586	250,000	393,000	2,638,902	3,283,902
Phenix Mutual	13,548	206,385	5,268	35,831	261,030	184,595*	—	268,013	452,608
Providence Mutual	10,427	336,896	12,139	8,632	368,094	—	—	1,502,701	1,502,701
Union Mutual	176,306	1,313,131	57,000	294,905	1,841,342	500,000†	—	347,431	847,431
Utica (Mutual)	29,123	295,792	5,375	16,947	347,237	—	21,250	307,514	328,764
Vermont	55,719	454,875	26,000	160,213	702,807	—	50,000	497,199	547,199
Totals	\$13,466,311	\$70,352,170	\$3,183,900	\$9,606,186	\$96,608,567	\$8,877,920	\$7,526,572	\$52,123,805	\$68,528,297
<i>Massachusetts Manufacturers' Mutuals</i>									
Arkwright	\$228,801	\$4,523,898	\$107,214	\$61,022	\$4,920,935	—	—	\$6,274,446	\$6,274,446
Boston Manufacturers	296,084	6,375,196	117,514	149,215	6,938,009	—	\$324,398	6,208,943	6,533,341
Cotton and Woolen	166,844	3,257,256	82,140	38,771	3,545,011	—	—	4,536,659	4,536,659
Fall River Manufacturers'	76,264	1,642,090	36,576	38,269	1,793,199	—	154,629	1,948,491	2,103,120
Worcester Manufacturers'	76,264	1,642,090	39,561	39,332	1,797,247	—	131,863	1,608,750	1,740,613
Totals	\$844,257	\$17,440,530	\$383,005	\$326,609	\$18,994,401	—	\$610,890	\$20,577,289	\$21,188,179
<i>Manufacturers' Mutual of Other States</i>									
Blackstone	\$267,169	\$5,373,038	\$83,571	\$88,226	\$5,812,004	—	—	\$5,455,473	\$5,655,473
Fremont's	305,374	7,272,449	115,000	102,317	7,795,140	—	\$200,000	6,011,111	7,111,111
Manufacturers' Mutual	830,389	16,148,198	303,000	127,537	17,409,124	—	—	20,438,530	20,438,530
Philadelphia Manufacturers	128,508	7,733,466	30,000	21,514	1,913,488	—	—	1,752,410	1,752,410
Protection Mutual	101,479	2,504,665	37,692	37,692	2,584,980	—	—	2,279,136	2,279,136
What Cheer	115,407	2,225,910	45,279	168,054	2,554,650	—	—	2,516,263	2,516,263
Totals	\$1,748,326	\$35,057,726	\$617,994	\$545,340	\$37,969,386	—	\$1,300,000	\$38,452,923	\$39,752,923

* C guaranty capital.

† Guaranty fund.

TABLE 8.—*Liabilities Dec. 31, 1945*—Continued

COMPANIES	Net Unpaid Losses	Unearned Premiums	Taxes Due or Accrued	All Other Liabilities	Total Liab- ilities, except Capital	SURPLUS TO POLICYHOLDERS			Total
						Capital	Contingent Reserves	Unassigned Funds	
<i>Massachusetts Stock Companies</i>									
Boston	\$2,093,875	\$6,801,913	\$149,958	\$1,551,324	\$10,597,070	\$3,000,000	\$2,851,472	\$15,000,000	\$21,851,472
Employers'	1,159,172	5,060,539	224,500	199,857	6,644,068	1,000,000	889,428	1,997,038	3,880,466
Massachusetts Fire and Marine	148,345	760,495	47,500	15,000	971,340	1,000,000	—	1,954,077	2,934,077
New England	121,180	594,326	19,750	32,264	767,520	1,000,000	—	1,424,355	2,424,355
Old Colony	647,984	2,315,153	70,026	416,633	3,449,796	1,000,000	2,139,372	6,500,000	9,639,372
Seneca	120,995	594,326	18,750	34,264	768,335	1,000,000	—	1,480,534	2,480,534
Springfield Fire and Marine	4,120,311	20,207,088	569,500	1,009,066	25,905,965	5,000,000	500,000	17,274,284	22,774,284
Totals	\$8,411,862	\$36,333,840	\$1,099,984	\$3,258,408	\$49,104,094	\$13,000,000	\$7,380,272	\$45,630,288	\$66,010,560
<i>Stock Companies of Other States</i>									
Aetna	\$10,705,584	\$31,382,867	\$963,500	\$2,806,706	\$45,858,657	\$7,500,000	\$3,410,113	\$23,407,795	\$34,317,908
Agricultural	2,564,316	8,127,320	357,600	616,622	11,065,858	3,000,000	1,000,000	5,600,262	9,600,262
Albany	135,849	790,840	57,770	69,882	1,054,341	1,000,000	—	1,674,870	2,674,870
Allemania	548,748	2,246,558	58,764	127,449	2,981,519	1,200,000	—	2,793,778	3,993,778
Alliance (Pa.)	1,480,052	3,666,773	190,200	640,727	5,977,752	1,000,000	—	7,801,759	8,801,759
Allied Fire (Utica)	66,254	447,427	6,999	55,288	575,968	400,000	—	297,636	697,636
American (N. J.)	7,412,066	23,082,278	515,200	3,777,324	34,786,868	3,343,740	—	20,275,519	23,619,259
American Alliance	554,321	3,066,667	125,000	111,208	3,857,196	3,000,000	—	5,692,727	8,692,727
American Automobile	1,165,769	3,814,273	205,982	167,754	5,353,758	600,000	—	597,954	1,197,954
American Aviation	109,012	572,062	29,681	49,980	760,725	500,000	—	518,616	1,018,616
American Central	571,500	3,437,211	127,500	252,344	4,388,555	1,000,000	—	3,580,947	4,580,947
American Druggists'	24,183	266,635	75,550	3,967	370,335	1,000,000	—	1,268,884	2,018,884
American Eagle	2,217,001	4,780,178	426,350	2,098,084	9,521,613	1,000,000	—	17,014,933	18,014,933
American Equitable	1,723,773	1,660,963	136,313	2,131,274	5,672,323	1,500,000	—	5,638,870	7,138,870
American and Foreign	1,316,914	2,014,477	237,391	309,226	3,878,008	1,500,000	—	4,479,953	5,979,953
American National	—	—	31,000	1,500	32,500	500,000	—	932,619	1,432,619
American Reserve	964,324	3,113,882	10,000	324,604	4,412,810	1,000,000	300,000	1,758,290	3,058,290
American Union	52,897	589,735	58,410	18,975	720,017	1,000,000	—	2,260,725	3,260,725
Anchor	6,984,123	831,010	48,355	39,906	1,187,394	1,000,000	50,000	1,426,481	2,476,481
Automobile	15,950,325	643,013	643,013	1,598,242	25,175,766	5,000,000	—	10,573,772	19,304,067
Baltimore American	696,386	2,747,327	76,500	62,457	3,582,070	1,500,000	—	3,577,315	5,077,315
Bankers and Shippers	641,335	3,721,233	88,786	87,766	4,539,120	1,000,000	—	2,877,147	3,877,147
Birmingham (Pa.)	48,346	327,695	34,159	8,802	419,002	1,000,000	—	1,254,627	2,254,627
Buffalo	426,347	3,321,261	120,000	111,491	3,979,099	1,000,000	700,000	2,305,286	4,005,286
Caledonian-American	154,306	761,273	21,500	81,526	1,018,605	500,000	—	889,307	1,389,307
California	347,565	2,089,264	77,500	196,212	2,710,541	1,000,000	31,000	2,180,255	3,211,235
Camden	1,898,933	8,093,313	246,000	530,707	10,768,973	2,000,000	800,000	5,013,922	7,813,922
Capital (Cal.)	211,169	599,763	39,908	71,996	922,836	1,000,000	—	1,041,132	2,041,132
Capital (N. H.)	3,743	3,504	862	862	71,439	202,400	—	279,325	481,725
Carolina	245,978	1,086,940	27,000	26,508	1,336,426	500,000	—	1,426,503	1,926,506
Centennial	797,037	7,780,683	181,500	440,835	2,180,055	500,000	—	1,034,666	1,534,663

TABLE 8.—*Liabilities Dec. 31, 1915*—Continued

COMPANIES	Net Unpaid Losses	Unearned Premiums	Taxes Due or Accrued	All Other Liabilities	Total Liabilities, except Capital	SURPLUS TO POLICYHOLDERS			
						Capital	Contingent Reserves	Unassigned Funds	Total
<i>Stock Companies of Other States—</i>									
Concluded									
Home	\$16,973,837	\$62,085,749	\$4,299,218	\$5,441,518	\$88,800,322	\$15,000,000	\$10,066,859	\$58,336,421	\$83,403,280
Home Fire and Marine	2,837,161	4,460,788	209,809	1,476,282	8,804,940	1,000,000	750,000	3,666,807	5,416,807
Homeland	343,393	1,399,314	71,325	116,011	2,130,043	1,000,000	—	1,830,998	2,810,998
Homestead	346,496	1,315,333	25,000	28,909	1,719,728	1,000,000	—	1,391,460	2,391,460
Imperial Assurance	270,858	1,630,724	65,720	197,534	2,184,836	1,000,000	—	1,629,324	2,629,324
Insurance Co. of North America	17,315,351	34,283,966	2,278,525	6,063,914	59,941,756	14,938,610	38,523,338	85,186,554	138,648,502
Insurance Co. of State of Pa.	335,608	2,075,926	104,905	375,916	2,892,255	1,000,000	—	1,757,698	2,757,698
Inter-Ocean	486,489	3,087,753	18,897	141,680	3,734,819	500,000	122,084	1,425,755	2,047,839
Jersey	401,680	2,377,235	56,407	178,997	2,897,451	1,000,000	—	1,624,968	2,624,968
Lumbermens (Pa.)	461,196	1,841,524	60,545	178,997	2,542,262	1,000,000	—	3,201,967	4,201,967
Manhattan Fire and Marine	221,496	1,155,212	44,270	39,155	1,860,133	1,000,000	10,000	2,528,034	3,438,034
Maryland	137,726	646,238	47,600	32,590	864,154	1,000,000	—	2,432,818	3,268,018
Mechanics and Traders	379,460	1,780,452	64,500	197,815	2,422,227	1,000,000	600,000	3,494,348	5,094,348
Mercantile	438,147	2,701,208	158,768	158,768	3,403,727	1,000,000	—	4,498,103	5,498,103
Merchants (N. Y.)	1,154,535	4,911,380	265,000	716,219	7,047,134	2,500,000	776,505	16,224,200	19,500,705
Merchants and Manufacturers	430,943	2,915,241	33,600	184,245	3,564,029	1,000,000	—	1,749,880	2,749,880
Mercury	192,740	1,506,766	33,184	407,871	2,140,561	400,000	17,000	511,708	928,708
Michigan Fire and Marine	923,408	3,658,007	103,400	141,635	4,826,450	2,000,000	—	2,113,023	4,113,023
Milwaukee Mechanics'	484,721	2,377,304	68,000	112,036	3,042,081	1,000,000	—	1,992,998	2,992,998
Minneapolis Fire and Marine	1,719,224	6,716,873	199,000	124,697	8,759,794	2,000,000	—	4,952,467	6,952,467
National Fire	5,137,167	23,966,634	4,300	1,755,458	31,598,804	5,000,000	7,000,000	21,010,918	33,010,918
National-Ben Franklin	633,398	2,474,637	739,545	1,755,458	31,598,804	1,000,000	—	1,648,932	2,648,932
National Change	41,125	170,443	80,000	54,878	3,242,913	250,000	28,496	186,695	465,191
National Liberty	2,119,254	8,519,120	26,500	56,617	294,685	4,000,000	1,000,000	10,440,033	15,440,033
National Reserve	166,105	1,493,532	167,229	167,229	11,005,603	500,000	—	737,341	1,237,341
National Security	386,849	641,512	65,971	69,056	1,904,836	1,000,000	—	1,661,494	2,661,494
National Union	2,691,815	12,637,969	56,250	69,056	1,153,667	1,000,000	1,040,265	6,124,288	8,264,553
Newark	1,480,436	4,413,626	337,274	2,722,848	18,409,906	2,000,000	—	5,363,625	7,363,625
New Brunswick	528,202	2,261,564	230,245	574,324	6,698,631	1,000,000	—	2,379,255	3,379,255
New Hampshire	1,803,573	7,908,769	61,600	45,758	10,407,747	3,000,000	—	9,198,270	12,198,270
New York Fire	718,239	4,838,735	170,000	520,405	5,894,363	1,000,000	—	3,033,638	4,033,638
New York Underwriters	836,905	2,370,913	85,000	263,301	3,450,555	2,000,000	400,000	6,334,040	8,734,040
Niagara	1,226,885	8,457,684	317,200	283,823	10,285,592	2,000,000	—	26,696,562	28,696,562
North American Fire and Marine	16,464	71,035	3,000	1,500	91,999	1,000,000	—	1,074,464	2,074,464
North River	883,722	6,258,015	195,000	164,719	7,501,456	1,000,000	175,000	6,896,497	8,071,497
Northwestern Fire and Marine	3,303,172	8,484,243	543,000	699,153	13,029,568	2,000,000	—	18,560,631	20,560,631
Northwestern National	924,549	8,869,190	1,105	1,160	1,168,004	1,000,000	300,000	1,124,639	2,434,639
Ohio Farmers	877,251	7,492,173	310,000	241,506	8,920,930	2,000,000	600,000	10,049,102	13,049,102
Orient	548,669	4,072,025	138,058	216,765	4,975,517	—	—	3,785,582	4,385,582
Pacific	256,528	2,736,269	99,500	374,802	3,567,099	1,000,000	—	2,609,370	3,609,370
Pacific National	777,962	4,238,071	102,579	306,115	5,424,727	1,000,000	—	3,638,707	4,638,707
Patriotic	802,898	6,363,135	207,137	508,173	7,881,343	1,250,000	1,478,896	1,950,832	4,679,728
Paul Revere	27,510	1,154,379	27,350	50,139	1,506,378	1,000,000	—	1,472,784	2,472,784
	339,811	1,372,069	52,000	27,079	1,790,959	1,000,000	—	2,000,760	3,000,760

TABLE 8.—*Liabilities Dec. 31, 1945—Concluded*

COMPANIES	Net Unpaid Losses	Unearned Premiums	Taxes Due or Accrued	All Other Liabilities	Total Liabilities, except Capital	SURPLUS TO POLICYHOLDERS			
						Capital Deposit	Contingent Reserves	Unassigned Funds	Total
<i>United States Branches, Companies of Other Countries — Concluded</i>									
Law Union and Rock . . .	\$139,624	\$954,613	\$26,250	\$202,639	\$1,316,126	\$300,000	—	\$992,215	\$1,292,215
Liverpool and London and Globe . .	3,398,202	11,258,732	513,203	698,898	15,869,035	400,000	—	8,564,173	8,964,173
London Assurance . . .	1,952,300	3,991,993	168,410	666,636	6,689,339	400,000	—	5,864,457	5,864,457
London & Lancashire . . .	564,504	4,629,507	121,200	758,162	6,073,373	400,000	—	2,776,856	2,776,856
London and Scottish . . .	80,210	466,218	600	3,943	550,971	300,000	—	852,661	1,152,661
Marine . . .	1,722,743	675,370	257,750	950,642	3,606,505	300,000	—	4,600,234	4,900,234
Netherlands . . .	214,337	970,027	21,000	27,769	1,233,133	300,000	—	546,549	846,549
North British and Mercantile . . .	2,120,931	8,389,880	327,578	674,703	11,513,092	400,000	—	6,409,681	6,809,681
Northern Assurance . . .	1,434,481	6,029,671	198,972	845,730	8,508,854	400,000	25,000	2,308,012	2,733,012
Norwich Union . . .	1,355,861	4,046,041	126,854	691,153	6,219,909	400,000	—	1,030,526	1,430,526
Ocean Marine . . .	494,660	93,291	40,710	186,915	815,576	300,000	—	552,678	852,678
Pacific Coast . . .	280,630	376,980	33,411	54,355	745,376	400,000	—	765,582	1,165,582
Palatine . . .	193,412	1,157,283	44,000	40,178	1,434,873	400,000	—	1,884,239	2,284,239
Phoenix Assurance . . .	812,476	4,844,227	228,570	154,526	6,039,799	400,000	—	2,324,371	2,724,371
Royal . . .	3,886,218	11,705,363	601,566	1,091,353	17,284,500	400,000	—	11,306,006	11,706,006
Royal Exchange . . .	1,687,600	3,270,112	77,606	348,412	5,383,730	400,000	—	2,860,680	3,863,678
Scottish Union and National . . .	924,453	4,431,230	121,150	103,622	5,580,455	400,000	—	3,463,678	3,863,678
Sea . . .	1,861,273	881,983	217,600	997,301	3,958,157	400,000	—	3,400,573	3,800,573
Standard Marine . . .	1,530,059	746,864	165,000	528,784	2,970,707	400,000	—	3,474,404	3,874,404
State Assurance . . .	140,494	885,613	17,801	21,058	1,064,966	300,000	—	402,549	702,549
Sun . . .	2,008,283	4,862,668	272,666	633,382	7,447,199	400,000	—	1,926,328	2,326,328
Switzerland General . . .	710,528	813,857	25,000	30,612	1,579,197	400,000	—	1,105,266	1,505,266
Thames and Mersey . . .	931,410	713,313	117,946	137,333	1,900,002	300,000	—	1,637,306	1,957,306
Union Assurance . . .	193,412	1,157,283	43,000	49,748	1,443,443	400,000	—	1,039,440	1,439,440
Union of Canton . . .	1,509,437	1,536,763	110,000	489,891	3,646,091	400,000	—	2,300,757	2,700,757
Union Marine . . .	830,582	923,080	79,170	579,155	2,411,987	400,000	—	1,704,849	2,104,849
Western Assurance . . .	860,711	1,544,584	74,000	196,292	2,675,587	400,000	—	2,799,503	3,199,503
Yorkshire . . .	473,913	2,206,268	60,000	795,949	3,536,130	300,000	—	869,443	1,169,443
Totals . . .	\$43,117,503	\$102,162,928	\$5,583,794	\$15,632,236	\$166,496,461	\$14,100,000	\$107,000	\$102,627,369	\$116,834,369

<i>Recapitulation</i>									
Massachusetts Mutual Companies other than manufacturers' (29 Companies)	\$2,566,372	\$23,850,486	\$791,801	\$1,299,349	\$28,508,008	\$400,000	\$689,268	\$29,289,320	\$30,378,588
Mutual companies of other states other than manufacturers' (30 Companies)	13,466,311	70,352,170	3,183,900	9,606,186	96,608,567	8,877,920	7,526,572	52,123,805	68,528,297
Massachusetts manufacturers' mutuals (5 Companies)	844,257	17,440,530	383,005	326,609	18,994,401	-	610,890	20,577,289	21,188,179
Manufacturers' mutuals of other states (6 Companies)	1,748,326	35,057,726	617,994	545,340	37,969,386	-	1,300,000	38,452,923	39,752,923
Massachusetts stock companies (7 Companies)	8,411,862	36,333,840	1,099,984	3,258,408	49,104,094	13,000,000	7,380,272	45,630,288	66,010,560
Stock companies of other states (161 Companies)	264,159,174	854,746,006	39,786,238	113,207,304	1,271,898,722	315,932,184	126,548,360	1,218,195,733	1,660,676,277
United States branches, companies of other countries (38 Companies)	43,117,503	102,162,928	5,583,794	15,632,236	166,496,461	14,100,000*	107,000	102,627,369	116,834,369
Totals (276 companies)	\$334,313,805	\$1,139,943,686	\$51,446,716	\$143,875,432	\$1,669,579,639	\$352,310,104	\$144,162,362	\$1,506,896,727	\$2,003,369,193

*Minimum amount which must be deposited with some State department by insurance companies of other countries for the protection of all their policyholders in the United States before they can be admitted to transact business in Massachusetts.

TABLE 9.—*Massachusetts Business—Net Premiums written during 1945*

COMPANIES	Fire	Extended Coverage	Tornado, Windstorm, Cyclone, Hail (except growing crops)	Sprinkler Leakage	Riot, Civil Commotion and Explosion	Earth-quake	Hail (growing crops only)	Motor Vehicles	Ocean Marine	Inland Navigation and Transportation	Aircraft	Ocean Marine (War Risk Only)	All Other
<i>Massachusetts Mutual Companies</i>													
<i>Other than Manufacturers'</i>													
Abington	\$166,077	\$12,197	\$91	\$206	\$23	\$27	—	\$14,539	—	—	\$7	—	—
Allied American	49,407	4,888	27	503	63	—	—	110,282	—	\$676	—	—	—
Associated Merchants	2,246	2,246	—	76	—	—	—	6,377	—	1,470	—	—	—
Attleborough	42,511	3,014	9	—	—	2	—	3,050	—	—	—	—	—
Barnstable County	275,920	8,921	—	—	—	—	—	—	—	—	—	—	—
Berkshire	275,292	13,556	375	399	65	4	—	80,904	—	2,013	13	—	—
Cambridge	228,176	16,577	249	930	75	10	—	42,205	—	3	11	—	—
Dorchester	207,664	17,294	466	390	—	3	—	14,620	—	—	—	—	—
Federal	258,272	26,652	920	1,724	540	103	—	113,479	—	20,169	1,065	—	—
Fitchburg	128,076	10,844	203	160	—	46	—	32,380	—	—	7	—	—
Groveland	565*	—	—	—	—	—	—	—	—	—	—	—	—
Hingham	255,988	24,368	56	285	31	6	—	—	—	—	10	—	—
Holyoke	283,922	24,746	461	729	15	—	—	99,332	—	—	—	—	—
Lowell	116,523	9,295	286	76	8	13	—	20,614	—	—	2	—	\$485
Lumber	48,961	4,510	33	904	73	248	—	4,734	—	918	—	—	—
Lynn	101,489	7,977	76	170	22	23	—	33,889	—	—	7	—	—
Merchants and Farmers	125,069	12,882	181	370	23	156	—	14,656	—	—	18	—	—
Merrimack	324,089	26,330	317	1,331	126	41	—	39,967	—	100	17	—	—
Middlesex	401,505	31,278	218	640	88	93	—	80,180	—	—	27	—	—
Mutual Fire Assurance	21,892	2,910	—	—	—	—	—	—	—	—	—	—	—
Newburyport	3,778	—	—	—	—	—	—	—	—	—	—	—	—
Norfolk and Dedham	304,930	29,920	94	380	59	56	—	22,674	—	—	17	—	400
Pioneer	22,729	1,506	—	—	—	—	—	48,212	—	1,777	—	—	—
Quincy	684,423	60,420	698	1,253	—	163	—	92,387	—	—	—	—	—
Salisbury	83,288	5,847	35	69	—	—	—	8,705	—	—	2	—	—
Traders and Mechanics	155,814	12,182	205	263	39	1	—	4,672	—	—	—	—	—
United Mutual	705,810	83,227	82	5,294	691	312	—	356,700	—	77,358	1,334	—	—
West Newbury	807*	—	—	—	—	—	—	—	—	—	—	—	—
Worcester Mutual	361,088	46,041	418	544	—324	69	—	52,693	—	—	22	—	—
Totals	\$5,502,611	\$501,328	\$5,430	\$16,696	\$1,609	\$1,391	—	\$1,297,371	—	\$104,484	\$2,571	—	\$885
<i>Mutual Companies of Other States</i>													
<i>Other than Manufacturers'</i>													
Atlantic	\$32,538	\$5,274	\$18	\$1,355	\$271	\$332	—	—	\$183,519	\$69,005	—	\$138,863	—
Automobile	—	—	—	—	—	—	—	—	—	—	—	—	—
Central Manufacturers	210,697	23,811	12	1,519	421	361	—	8,346	1,308	31,675	—	—	—
Employers	13,023	1,254	—	25	10	—	—	3,636	—	370	—	—	—
Grain Dealers	41,951	3,220	—11	315	115	311	—	352	—	4,086	—	—	—
Hardware Dealers	137,817	13,471	63	727	55	14	—	35,319	—	1,483	—	—	—
Hardware Mutual	18,548	805	3	261	9	—	—	228	—	1,027	—	—	—

TABLE 9.—*Massachusetts Business—Net Premiums written during 1945—Continued*

COMPANIES	Fire	Extended Coverage	Tornado, Windstorm, Cyclone, Hail (except growing crops)	Sprinkler Leakage	Riot, Civil Commotion and Explosion	Earth-quake	Hail (growing crops only)	Motor Vehicles	Ocean Marine	Inland Navigation and Transportation	Aircraft	Ocean Marine (War Risk Only)	All Other
<i>Massachusetts Stock Companies</i>													
Boston	\$400,367	\$85,129	\$603	\$2,088	—\$39	\$319	—	\$107,237	\$303,499	\$92,094	\$46	\$38,339	\$230
Employers'	267,247	22,490	881	594	2,630	—32	—	192,720	—	80,070	60	—	—
Mass. Fire and Marine	102,888	4,958	32	79	312	69	—	15,708	—	6,341	331	—	—
New England	20,923	1,762	66	402	1,22	49	\$37	3,028	40	2,544	176	—	6
Old Colony	191,710	17,002	528	985	356	204	—	31,856	78,627	23,241	11	4,140	320
Sentinel	20,924	1,762	66	402	1,22	49	37	3,028	40	2,544	175	—	6
Springfield Fire and Marine	711,399	59,914	2,229	13,668	4,140	1,651	1,254	102,947	1,369	86,498	5,965	8	214
Totals	\$1,715,458	\$143,017	\$4,405	\$18,218	\$7,643	\$2,309	\$1,328	\$456,524	\$383,575	\$293,332	\$6,764	\$42,487	\$776
<i>Stock Companies of Other States</i>													
Aetna	\$756,138	\$67,104	\$3,005	\$11,055	\$5,251	\$2,117	\$1,175	\$82,504	\$134,221	\$150,199	\$458	\$15,300	\$1,402
Agricultural	225,728	17,324	248	889	1,209	188	—	36,292	46,579	62,548	—	25,485	—
Albany	34,375	2,920	123	32	54	—	—	17,589	—	207	—	—	—
Allennania	52,462	3,205	8	485	3	—	—	2,524	—	35	—	—	—
Alliance (Pa.)	105,376	6,941	424	700	—818	10	—	28,659	403	13,016	—	1	—
Allied Fire (Utica)	7,553	684	—	5	—	—	—	170	—	—	—	—	—
American (N. J.)	349,360	29,475	921	3,794	—767	1,027	—	20,629	93,364	40,659	90	77,591	—
American Alliance	50,474	1,469	12	418	48	5	—	720	8,821	2,504	—	—	—
American Automobile	—	—	—	—	—	—	—	28,215	—	344	—	—	—
American Aviation	89	24	—	—	—	—	—	20	—	—	10	—	—
American Central	109,824	9,739	—146	1,128	154	32	—	9,187	—	249	—	—	—
American Druggists'	33,201	329	—	—	—	—	—	—	—	—	—	—	—
American Eagle	223,647	16,665	461	6,030	176	438	—	5,322	5,790	1,970	—	19,531	—
American Equitable	153,192	11,944	196	1,173	—902	115	824	12,634	71	758	—	—	—
American and Foreign	62,786	3,537	—20	763	695	330	—	14,552	759	467	—	—	—
American National	17,024	599	63	63	23	—	—	1,532	—	—	—	—	—
American Reserve	74,503	5,412	108	602	257	53	—	1,085	—65	862	—	—	—
American Union	44,977	3,558	—61	—80	230	—	—	—	—	—	—	—	—
Anchor	60,299	4,613	9	759	43	44	—	6,927	5,355	23,145	—	389	—
Automobile	288,954	24,962	1,064	1,656	397	247	—	156,229	133,073	278,770	3,252	16,557	34
Baltimore American	204,357	17,877	—	6,350	—13	156	—	21,034	—	16,836	—	—	—
Bankers and Shippers	57,616	3,403	347	533	—	—	—	13,456	—	2,137	—	—	—
Birmingham (Pa.)	—	—	—	—	—	—	—	—	—	—	—	—	—
Buffalo	98,311	6,799	45	87	128	—	—	9,121	—3	2,788	—	—	—
Caledonian-American	63,699	3,926	97	365	65	—	—	8,200	—	709	—	—	—
California	22,790	2,149	—3	41	—4	31	—	6,719	—	2,244	—	—	27
Camden	100,192	6,872	128	749	96	191	—	6,208	48	22,242	4	—	—
Capital (Cal.)	40,904	3,621	73	639	2,752	—	—	7,958	15	1,832	—	—	—
Capital (N. H.)	11,974	1,098	—	—	—	—	—	941	—	—	—	—	—

Carolina	80,701	7,589	93	2,266	-16	-	-	491	-	3,119	-	-
Centennial	26,662	-92	-24	7	29	-2	-	11,697	-	8,457	-	-
Central (Md.)	132,794	10,736	-78	1,925	1,007	196	-	12,906	-	59	-	112
Central States												
Central Union	12,766	1,040	-	17	15	-	-	-	-	-	-	-
Charter Oak	57,496	4,928	352	615	187	75	-	2,987	-	1,791	-	-
Church Properties	2,775	63	11	-	-	-	-	-	-	-	-	-
Citizens (N. J.)	66,694	6,790	608	1,055	-99	541	-	12,598	-	12,210	-	-
City of New York	114,233	10,830	240	3,626	341	266	57	15,126	-	1,403	303	-
Columbia (N. Y.)	73,951	5,956	32	637	109	45	-	15,120	-	580	-	-
Columbia (Ohio)	96,326	10,150	92	2,357	280	4	-	12,489	-	7,124	-	-
Commerce	64,774	7,487	56	369	32	-	-	6,804	-	2,820	-	-
Commercial Union (N. Y.)	37,499	813	8	174	63	21	-	1,183	-	2,878	-	-
Commonwealth	77,074	5,827	47	255	253	10	-	7,620	-	3,177	145	1,881
Concordia	65,862	4,882	96	1,074	-	-	-	5,284	-	570	-	-
Connecticut	113,285	9,003	46	945	356	243	-	18,387	23,105	54,006	5	-12
Continental	528,727	44,671	11,008	2,194	3,862	433	-	41,142	53,004	32,218	42,395	-82
County	43,620	1,847	36	565	152	-	-	3,318	237	53	-	-
Detroit Fire and Marine	40,518	2,798	13	207	139	-11	-	9,157	-	1,826	-	-
Dixie	29,871	1,828	46	285	293	297	-	1,101	-	1,076	-	-
Dubuque Fire and Marine	18,032	1,334	16	-9	3	-	-	21,040	-	272	-	-
Eagle (N. Y.)	20,283	2,511	6	316	329	-3	-	984	-	245	28	-
East and West	42,461	2,995	21	213	249	-207	-	5,713	-	745	-	-
Empire State	79,613	6,653	74	562	251	-8	-	6,656	40	1,136	-	-
Equitable Fire and Marine	88,572	9,494	368	1,490	100	63	-	24,130	-	26,137	8	-
Excelsior	59,975	5,448	17	223	32	-	-	-	-	-	-	-
Export												
Farmers (Pa.)	54,487	3,609	71	837	116	19	-	-	-	372	-	-
Federal	23,189	1,983	322	334	64	98	-	68,945	80,618	54,235	-44	64,181
Federal Union	70,969	5,980	135	784	541	177	-	7,914	16	3,414	92	-
Fidelity and Guaranty	134,616	18,705	177	816	139	99	-	30,986	-	7,108	209	-
Fidelity-Phoenix	337,468	25,712	680	4,782	347	121	-	123,203	46,807	38,967	1	19,737
Fire Association	163,837	11,636	556	1,796	1,020	267	-	4,343	3,775	15,149	16	386
Fireman's Fund	516,703	43,844	1,448	5,389	1,673	1,532	-	175,908	30,914	57,771	163	14,682
Firemen's (D. C.)	195	53	-	-	-	-	-	-	-	-	-	-
Firemen's (N. J.)	132,572	8,406	616	134	-33	13	-	17,122	-3,068	2,578	159	209
First American	95,310	8,293	107	4,204	266	716	-	79,931	-	1,766	-	-
First National	13,064	1,709	-	-	38	-	-	-	-	-	-	866
Franklin Fire	147,467	12,849	135	5,065	77	15	-	3,205	-	5,225	-	-
Franklin National	29,908	2,796	19	197	77	10	-	4,711	-	14,463	-	-
Fulton												
General Exchange												
General Insurance	423,743	16,001	16	964	323	218	-	84,486	-	-	-	-
Gibraltar Fire and Marine	44,355	3,600	-10	936	-	-	-	27,828	49,905	11,074	-	5,759
Girard Fire and Marine	94,448	7,794	104	798	-	-	-	1,148	-	398	-	-
Glens Falls	208,137	15,343	377	2,035	845	486	-	7,722	-	2,131	-	-
Globe and Republic	59,510	5,011	7	324	167	-	-	11,298	-734	26,775	172	-86
Globe and Rutgers	173,478	12,554	178	324	167	33	-	3,611	-	377	-	-
Granite State	109,179	8,756	435	1,421	297	69	-	7,384	54,341	3,255	-	-
Great American	259,199	13,132	173	2,541	415	186	-	5,189	24,453	2,901	10,607	-12
					-2,505			15,135		22,456		

TABLE 9.—*Massachusetts Business—Net Premiums written during 1945—Continued*

COMPANIES	Fire	Extended Coverage	Tornado, Windstorm, Cyclone, Hail (except growing crops)	Sprinkler Leakage	Riot, Civil Commotion and Explosion	Earthquake	Hail (growing crops only)	Motor Vehicles	Ocean Marine	Inland Navigation and Transportation	Aircraft	Ocean Marine (War Risk Only)	All Other
<i>Stock Companies of Other States—</i>													
Concluded													
Hanover	\$204,153	\$17,113	\$469	\$1,864	\$1,243	\$1,253	—	\$65,194	\$6,063	\$17,875	\$3,148	\$5,488	—
Hartford	587,995	50,748	4,733	7,035	1,113	3,038	\$—6,922	76,405	11,623	48,844	3,030	49,389	\$820
Hone	848,842	67,895	6,176	30,646	913	508	—894	100,705	87,494	115,621	417	23,900	—
Hone Fire and Marine	249,697	20,559	6,922	5,083	874	137	—	—	72,597	43,909	16,122	44,237	—
Honoland	23,255	4,192	59	453	203	—7	—	7,724	536	5,988	31	1,243	524
Honestead	60,374	9,342	78	1,364	—84	12	—	—	—	1,858	—	—	—
Imperial Assurance	46,041	3,034	146	725	202	—	—	6,090	—	1,340	—	—	—
Insurance Co. of No. America	439,663	37,079	2,611	6,022	—10,827	1,841	2,099	82,777	702,676	484,115	2,691	607,200	3,539
Insurance Co. of State of Pa.	83,079	6,494	14	174	111	25	—	27,534	—	2,164	—	—	—
Inter-Ocean	43,374	2,456	35	205	101	17	—	33,545	272	364	1	—	—
Jersey	43,012	3,928	87	792	—117	60	—	13,684	319	4,794	—	—	—
Lunbermens (Pa.)	50,764	4,076	20	707	307	604	—	3,425	—	1,451	—	—	—
Manhattan Fire and Marine	31,286	2,731	172	1,153	107	—1	—	19,024	—	489	—	—	—
Maryland	66,166	5,360	26	1,989	—	—	—	5,274	571	8,336	—33	1,864	3,116
Mechanics and Traders	47,441	6,325	23	277	153	—	—	4,924	3,559	2,701	1	121	—
Mercantile	119,441	8,051	485	1,216	162	59	—	448	—	13,120	—	—	—
Merchants (N. Y.)	89,225	7,284	172	184	209	—16	—	—	—	368	—	—	—
Merchants and Manufacturers	56,405	6,576	44	185	—1,265	—	—	2,052	—	3,770	—	—	—
Merchants (Colo.)	11,520	1,262	15	35	5	5	—	2,232	161	10,177	702	1	25
Mercury	98,927	8,010	42	493	381	507	—	12,112	—	9,122	—	—	—
Michigan Fire and Marine	262	7,049	262	1,608	487	194	148	34,314	—	—	—	—	—
Milwaukee Mechanics	83,694	7,409	408	1,051	10	67	—	—	908	72,927	109	—	—
Minneapolis Fire and Marine	—	—	—	—	—	—	—	—	—	—	—	—	—
National Fire	609,170	48,431	3,307	8,298	—985	720	—	82,184	—	—	—	—	—
National Ben Franklin	89,605	7,838	76	365	6	—	—	12,674	—	5,769	—	—	—
National Chicago	46,946	—	—	—	—	—	—	—	—	—	—	—	—
National Liberty	345,438	27,555	3,279	21,505	193	137	—	7,703	165	15,240	444	3	—
National Reserve	50,749	4,475	—38	—	—	—	—	—	—	—	—	—	—
National Security	274,564	22,274	453	1,914	—813	35	—	4,476	—	7,826	—	—	—
National Union	88,053	7,057	312	908	845	128	—	25,655	11,421	13,682	13	—	10,695
Newark	40,144	3,692	73	651	435	6	—	18,812	507	1,074	1,325	—	—
New Brunswick	24,294	3,692	73	651	—	—	—	662	—	—	—	—	—
New Hampshire	316,577	24,294	699	1,819	—254	191	—	33,796	26,916	21,101	13	—	—
New York Fire	55,825	6,388	230	368	29	—	—	20,517	—	—	—	—	—
New York Underwriters	153,388	11,005	411	2,806	995	82	—	80,315	1,388	18,282	—	5,898	—
Niagara	361,754	27,061	313	5,608	398	3,315	—	22,233	—	50,888	—	—	—
North American Fire and Marine	2,412	202	2	40	4	—	—	41	—	97	4	—	—
Northern (N. Y.)	139,974	11,866	66	111	—23	7	—	21,369	—	290	—	—	—
North River	110,831	8,622	90	811	47	26	—	22,015	185,872	147,193	6	64,957	437
Northwestern Fire and Marine	31,679	2,080	76	1,038	—16	179	5,271	1,601	347	1,594	—	1,475	—
Northwestern National	29,157	1,915	54	88	44	—	—	2,662	—15	—	—	—	—
Ohio Farmers	56,257	4,513	190	174	63	—	—	3,424	—	—	—	—	—

TABLE 9.—*Massachusetts Business—Net Premiums written during 1945—Concluded*

COMPANIES	Fire	Extended Coverage	Tornado, Windstorm, Cyclone, Hail (except growing crops)	Sprinkler Leakage	Riot, Civil Commotion and Explosion	Earth-quake	Hail (growing crops only)	Motor Vehicles	Ocean Marine	Inland Navigation and Transportation	Aircraft	Ocean Marine (War Risk Only)	All Other
<i>United States Branches, Companies of Other Countries</i>													
<i>Concluded</i>													
Caledonian	\$105,635	\$7,621	\$217	\$953	\$373	\$26	-	\$8,433	\$20	\$2,587	\$1	-	-
Century	21,082	583	-130	267	132	-	-	324	7,476	230	153	-	-
Commercial Union Assurance	91,433	7,708	25	1,006	10	25	-	3,982	17,120	32,646	-	\$59	-
Eagle Star	-889	-	-	-	-	-	-	-	56,939	619	-	-	-
Indemnity Marine	-	-	-	-	-	-	-	-	6,256	1,437	-	455	-
Law Union and Rock	16,602	1,320	22	28	173	-	-	3,321	-	1,143	-	-	-
Liverpool and London and Globe	329,785	24,729	1,728	6,168	2,146	615	-	22,705	895	11,313	-	2,203	-
London Assurance	93,065	5,774	78	834	-117	76	-	4,504	64,039	17,857	-	1,631	-
London & Lancashire	144,719	10,442	669	1,681	-40	99	-	25,060	-	1,131	-	-	\$104
London and Scottish	8,402	608	-	49	-	-	-	17	-	249	-	-	-
Marine	-	-	-	-	-	-	-	66,995	56,128	50,127	1	16,209	-
Netherlands	140,120	9,031	404	1,300	357	1	-	10,218	-	708	-	-	-
North British and Mercantile	253,083	18,963	-2,088	2,802	1,872	198	-	19,866	1,706	39,117	5,301	5,591	3,019
Northern Assurance	111,651	9,946	120	1,051	-13	103	-	4,162	23,139	34,847	-18	7,441	-
Norwich Union	90,741	6,147	260	717	-11	78	-	1,089	3,050	7,169	-19	5,591	-
Ocean Marine	-	-	-	-	-	-	-	-	4,674	28	-	-	-
Pacific Coast	-258	8	-	-	-	-	-	-9	-	106	-	-	-
Palatine	67,192	7,864	-7	394	-7	500	-	28	-	197	-	-	-
Phoenix Assurance	203,560	17,717	123	2,134	136	502	-	17,143	-	6,704	5,289	4	-
Royal	333,254	33,779	1,862	6,318	-10,763	1,204	-	83,901	42,389	9,535	13,825	25	-
Royal Exchange	134,459	10,782	645	1,110	323	101	-	11,385	26,911	21,907	7	14,769	-
Scottish Union and National	201,215	15,602	109	918	-141	-30	-	44,207	-	4,756	2	-	-
Sea	24,750	2,141	179	407	126	149	-	100,448	13,383	48,218	1	2,821	-
Standard Marine	-	-	-	-	-	-	-	51	10,800	7,595	1	9,366	-
State Assurance	1,208	72	-	38	80	-	-	-	-	-	-	-	-
Sun	144,076	11,048	215	1,456	220	109	-	4,348	45,659	24,465	164	51,519	-
"Switzerland" General	4,943	477	5	25	79	-3	-	609	187	820	-	3,380	-
Thames and Mersey	-	-	-	-	-	-	-	-	7,576	445	-	-	-
Union Assurance	23,557	2,482	4	17	162	9	-	2,087	-	232	-	-	-
Union of Carlton	9,386	794	4	71	9	2	-	-	3,720	5,840	1	-	-
Union Marine	36,469	4,257	1	846	119	-	-	498	3,050	527	-	-	-
Western Assurance	23,580	950	-6	19	210	375	-	436	664	384	18	-	-
Yorkshire	127,149	8,064	141	1,196	97	4	-	25,973	-	16	-	-	-
Totals	\$2,867,442	\$227,652	\$4,748	\$32,703	-\$4,334	\$4,149	-	\$465,322	\$400,038	\$334,047	\$26,398	\$126,034	\$3,123

TABLE 10.—*Massachusetts Business—Net Losses paid during 1945*

COMPANIES	Fire	Extended Coverage	Tornado, Windstorm, Cyclone, Hail (except growing crops)	Sprinkler Leakage	Riot, Civil Commotion and Explosion	Earthquake	Hail (growing crops only)	Motor Vehicles	Ocean Marine	Inland Navigation and Transportation	Aircraft	Ocean Marine (War Risk Only)	All Other
<i>Massachusetts Mutual Companies Other than Manufacturers</i>													
Abington	\$52,953	\$5,392	\$369	\$1	—	—	—	\$5,288	—	—	—	—	—
Allied American	25,166	10,876	—	24	—	—	—	45,959	—	\$605	—	—	—
Associated Merchants	30,143	3,616	—	—	—	—	—	4,261	—	18	—	—	—
Arlborough	17,716	2,846	—	—	—	—	—	563	—	—	—	—	—
Barnstable County	17,310	40,289	—	—	—	—	—	—	—	—	—	—	—
Berkshire	96,909	30,581	516	23	—	—	—	31,885	—	159	—	—	—
Cambridge	107,619	19,190	90	480	\$8	—	—	15,681	—	—	—	—	—
Dorchester	87,461	12,419	224	130	—	—	—	6,557	—	—	—	—	—
Dorchester Federal	88,153	6,904	112	314	4	—	—	38,066	—	5,286	—	—	—
Fitchburg	53,268	12,097	522	—27	—	—	—	5,960	—	—	—	—	—
Groveland	284	—	—	—	—	—	—	—	—	—	—	—	—
Hingham	102,566	21,704	46	1	—	—	—	21,490	—	—	—	—	—
Holyoke	109,918	16,475	1,672	33	—	—	—	9,512	—	—	—	—	—
Holyoke	50,180	13,566	370	—	—	—	—	1,083	—	—	—	—	—
Lowell	19,909	24,791	1,167	289	11	—	—	6,202	—	558	—	—	—
Lynn	38,631	9,073	31	1	2	—	—	4,631	—	—	1	—	—
Merchants and Farmers	53,190	13,979	322	1	—	\$20	—	13,071	—	—	—	—	—
Merrimack	95,174	29,681	548	45	—	—	—	32,852	—	—	5	—	—
Middlesex	154,526	36,291	126	2	8	—	—	—	—	—	—	—	—
Mutual Fire Assurance	2,153	654	—	—	—	—	—	—	—	—	—	—	—
Newburyport	907	—	—	—	—	—	—	—	—	—	—	—	—
Norfolk and Dedham	113,028	24,445	286	1	1	—	—	10,147	—	—	—	—	—
Pioneer	11,150	541	—	—	—	—	—	21,231	—	497	—	—	—
Quincy	232,332	110,944	1,446	434	—	—	—	34,439	—	—	—	—	—
Salem	44,656	6,029	112	—	—	—	—	3,663	—	—	—	—	—
Traders and Mechanics	48,732	24,928	214	174	—	—	—	1,543	—	—	—	—	—
United Mutual	258,553	105,139	6,695	1,104	450	—	—	155,155	—	30,971	—	—	—
West Newbury	845	—	—	—	—	—	—	—	—	—	—	—	—
Worcester Mutual	170,306	3,456	366	2	—	—	—	18,617	—	—	—	—	—
Totals	\$2,084,058	\$588,906	\$15,234	\$3,032	\$484	\$20	—	\$487,896	—	\$38,094	\$568	—	—\$4,487
<i>Mutual Companies of Other States Other than Manufacturers</i>													
Atlantic	\$10,555	\$2,689	—	\$31	—	—	—	\$7,551	\$34,800	\$10,780	—	\$2,502	—
Automobile	—	—	—	—	—	—	—	30,005	—	—	—	—	—
Central Manufacturers	76,611	10,886	\$253	2,244	—	—	—	4,136	—	3,776	—	—	—
Employers	5,435	1,858	1	—	—	—	—	1,755	—	902	—	—	—
Grain Dealers	42,126	2,301	122	1,255	\$15	—	—	—533	—	2,248	—	—	—\$4,641
Hardware Dealers	65,063	11,906	1,838	665	39	—	—	13,344	—	653	—	—	—
Hardware Mutual	2,520	554	103	—	—	—	—	—	—	503	—	—	—

TABLE 10.—*Massachusetts Business—Net Losses paid during 1945—Continued*

COMPANIES	Fire	Extended Coverage	Tornado, Windstorm, Cyclone, Hail (except growing crops)	Riot, Civil Commotion and Explosion	Earthquake	Hail (growing crops only)	Motor Vehicles	Ocean Marine	Inland Navigation and Transportation	Aircraft	Ocean Marine (War Risk Only)	All Other
<i>Massachusetts Stock Companies</i>												
Boston	\$172,702	\$45,919	\$8,468	\$7	—	—	\$37,433	\$214,314	\$22,637	—	\$47,523	\$600
Employers	114,167	44,737	971	412	—	—	90,435	—	44,894	\$9	—	—
Mass. Fire and Marine	29,967	16,792	65	—	—	—	5,917	—	498	728	—	—
New England	10,001	2,989	139	4	—	—	1,269	1	824	3	—	—
Old Colony	66,012	27,347	1,172	—	—	—	16,615	59,212	5,173	—	—	—
Sentinel	10,001	2,989	139	4	\$1	1	1,269	15	824	3	—	—
Springfield Fire and Marine	340,017	101,614	4,721	139	17	42	43,132	505	28,372	109	—	—
Totals	\$742,957	\$242,357	\$15,675	\$566	\$18	\$44	\$196,070	\$274,001	\$103,242	\$852	\$47,523	\$600
<i>Stock Companies of Other States</i>												
Aetna	\$321,339	\$106,012	\$29,487	\$45	\$458	\$70	\$51,109	\$120,255	\$70,641	\$190	—	\$500
Agricultural	114,497	26,152	4,804	9	—	—	17,821	28,668	9,963	—	—	—
Albany	31,909	2,779	102	—	—	—	4,903	—	1,437	—	—	—
Allemania	9,917	2,178	20	—	—	—	891	—	—	—	—	—
Alliance (Pa.)	30,176	15,020	506	—	—	—	17,563	—	18,012	—	—	—
Allied Fire (Utica)	6,810	1,428	23	—	—	—	—	—	—	—	—	—
American (N. J.)	245,898	62,640	6,194	75	75	—	17,839	7,477	8,212	265	—\$3,679	—
American Alliance	13,292	3,964	—	—	—	—	405	3,386	989	—	—	—
American Automobile	—	—	—	—	—	—	20,176	—	24	—	—	—
American Aviation	70,800	7,524	154	—	—	—	99	—	74	—	—	—
American Central	26,369	135	—	—	—	—	7,119	—	—	—	—	—
American Druggists	102,504	35,426	1,764	—	—	—	990	3,988	2,393	157	—1,962	—
American Eagle	86,743	14,594	2,080	59	—	—	6,104	2,071	1,910	—	—	—
American Equitable	35,281	16,249	1,994	1,261	—	—	15,587	—	494	—	—	—
American and Foreign	4,645	400	—	—	—	—	222	—	34	—	—	—
American National	50,978	1,752	3,231	75	—4	—	404	147	2,672	—	—	—
American Reserve	14,560	1,917	8	—	—	—	—	—	—	—	—	—
Anchor	20,329	6,901	1,660	—167	—	—	4,524	2,602	3,312	—	—	—
Automobile	129,295	58,524	6,431	914	—	—	50,778	51,893	102,662	1,618	491	—
Baltimore American	130,503	28,111	539	16	—	—	17,550	—	1,115	—	—	—
Bankers and Shippers	22,725	4,195	418	—	—	—	10,384	—	464	—	—	—
Birmingham (Pa.)	—	—	—	—	—	—	—	—	—	—	—	—
Buffalo	59,797	4,015	—	3	—	—	3,109	—	109	—	—	—
Caledonian-American	40,999	6,675	162	225	—	—	3,224	—	463	—	—	—
California	7,471	2,288	30	—	—	—	4,316	—	238	—	—	—
Camden	49,277	17,380	771	8	—	—	5,108	—	486	—	—	—
Capital (Cal.)	20,651	2,949	18	—	—	—	6,050	—	92	—	—	—
Capital (N. H.)	5,796	1,407	1	—	—	—	264	—	—	—	—	—

Carolina	32,870	5,739	253	384	-	-	-	1,294	512	-	552	-
Centennial	11,551	3,718	466	35	-	-	-	2,258	-	-	2,289	-
Central (Md.)	86,903	11,140	-	677	20	-	-	8,615	-	-	-	-
Central States	-	-	-	-	-	-	-	-	-	-	-	-
Central Union	4,030	1,064	75	-	117	-	-	-	-	-	-	-
Charter Oak	24,989	11,822	263	-	-	-	-	557	-	-	319	-
Church Properties	1,715	35	-	-	-	-	-	-	-	-	-	-
Citizens (N. J.)	32,792	13,524	917	34	-	-	-	5,077	21	-	3,622	-
City of New York	71,314	12,677	714	168	-	-	-	610	-	-	1,309	-
Columbia (N. Y.)	51,498	8,868	120	115	-	-	-	9,379	-	-	-	-
Columbia (Ohio)	51,625	9,286	162	125	-	-	-	3,481	-	-	509	-
Commerce	51,496	7,099	114	-280	2	-	-	2,525	-	-	46	-
Commerce Union (N. Y.)	18,696	4,099	-	1,382	-	-	-	1,543	-	-	5	-
Commercialwealth	32,213	20,789	1,489	-	-	-	-	2,990	516	-	5,614	-
Concordia	35,544	3,569	939	-	-	-	-	4,133	-	-	1,212	-
Connecticut	43,325	16,631	1,341	35	-	-	-	6,104	14,943	-	14,105	-
Continental	236,098	58,125	-5,455	9,851	-	-	-	50,727	8,972	-	13,300	-
County	37,093	4,274	30	82	-	-	-	866	-	-	58	-
Detroit Fire and Marine	6,466	1,407	140	-	12	-	-	2,972	-	-	-	-
Dixie	4,918	1,271	35	-	-	-	-	475	-	-	-	-
Dubuque Fire and Marine	12,279	1,221	295	-	-	-	-	10,614	-	-	-	-
Eagle (N. Y.)	6,004	2,845	4	1,000	-	-	-	253	-	-	-	-
East and West	39,780	2,429	116	165	-	-	-	4,097	-	-	11	-
Empire State	28,787	15,268	461	157	-	-	-	2,617	-	-	10	-
Equitable Fire and Marine	54,255	14,876	583	357	-	-	-	12,548	-	-	7,671	-
Excelsior	20,923	3,887	-	-	-	-	-	-	-	-	-	-
Export	-	-	-	-	-	-	-	-	-	-	-	-
Farmers (Pa.)	48,732	6,772	165	13	29	-	-	-	-	-	-	-
Federal	3,096	1,878	375	-	-	-	-	42,915	7,358	-	15,107	-
Federal Union	53,117	12,535	534	132	25	-	-	6,007	-	-	856	-
Fidelity and Guaranty	61,436	18,523	954	628	170	-	-	13,351	-	-	1,567	-
Fidelity-Phenix	162,876	39,556	1,554	-	-	-	-	51,803	8,973	-	5,234	-
Fire Association	83,479	18,543	1,127	342	-	-	-	908	6,307	-	2,886	-
Fireman's Fund	225,472	64,482	3,627	2,752	238	-	-	80,866	13,143	-	9,460	-
Fireman's (D. C.)	15	-	-	-	-	-	-	-	-	-	-	-
Fireman's (N. J.)	53,929	10,810	1,615	1,153	-	-	-	7,697	7,477	-	6,467	-
First American	39,728	10,321	229	171	-	-	-	54,757	-	-	398	-
First National	4,537	2,177	-	-	106	-	-	-	-	-	-	-
Franklin Fire	59,909	7,121	1,235	4,115	-	-	-	1,224	-	-	35,251	-
Franklin National	12,904	3,453	-	-	-	-	-	2,869	-	-	4,936	-
Fulton	-	-	-	-	-	-	-	-	-	-	-	-
General Exchange	-	-	-	-	-	-	-	-	-	-	-	-
General Insurance	135,692	9,520	10	-	-	-	-	71,220	8,663	-	2,710	-
Gibraltar Fire and Marine	10,605	4,348	545	1,217	-	-	-	36,862	-	-	-	-
Grand Fire and Marine	30,463	7,813	490	40	-	-	-	2,588	-	-	217	-
Glena Falls	134,450	20,344	1,866	152	77	-	-	6,302	8,972	-	5,989	-
Globe and Republic	27,166	1,738	-589	-1,343	-	-	-	989	-	-	504	-
Globe and Rutgers	107,196	21,197	529	1,172	9	-	-	2,555	9,455	-	523	-
Granite State	53,886	9,578	4,895	30	-	-	-	2,250	-	-	82	-
Granite State	140,521	41,303	17,283	361	801	-	-	7,295	25,113	-	12,253	-
Great American	26,205	21,303	-	2,755	20	-	-	36,802	3,988	-	5,191	-
Great American	124,756	26,205	1,028	2,675	823	-	-	30,631	585	-	15,908	-
Hanover	92,729	26,603	-	-	-	-	-	-	-	-	-	-
Hartford	298,010	92,729	26,603	2,675	823	-	-	4,352	-	-	2,010	-

TABLE 10.—*Massachusetts Business—Net Losses paid during 1945—Continued*

COMPANIES	Fire	Extended Coverage	Tornado, Windstorm, Cyclone, Hail (except growing crops)	Sprinkler Leakage	Riot, Civil Commotion and Explosion	Earth-quake	Hail (growing crops only)	Motor Vehicles	Ocean Marine	Inland Navigation and Transportation	Aircraft	Ocean Marine (War Risk Only)	All Other
<i>Stock Companies of Other States—Continued</i>													
Home Fire and Marine	\$45,639	\$164,728	\$18,159	\$2,681	\$591	—	\$961	\$46,980	\$34,956	\$50,237	—	—	—
Home Fire and Marine	141,113	22,774	862	1,894	35	—	—	39,192	4,756	7,189	—	—	\$20
Homeland	37,362	5,841	212	—	—	—	—	4,974	318	2,498	—	—	—
Homestead	24,934	2,693	10	953	—	—	—	37	—	2	—	—	—
Imperial Assurance	21,584	2,740	742	11	—	—	—	3,047	—	983	—	—	—
Insurance Co. of No. America	188,738	66,666	6,034	639	171	—	563	36,859	101,622	287,435	\$180	\$968	656
Insurance Co. of State of Pa.	50,121	7,800	—	15	—	—	—	12,340	—	151	—	—	—
Inter-Ocean	27,422	5,204	491	—	2	—	—	15	137	2,479	—	—	—
Jersey	21,035	3,771	—	—	—	—	—	28,299	—	3,565	—	—	—
Lumbermens (Pa.)	18,962	2,490	—	9	—	275	—	5,222	270	345	—	—	—
Lumbermens (Pa.)	16,337	2,281	—	—	—	—	—	1,294	—	402	—	—	—
Manhattan Fire and Marine	39,901	5,063	15	309	—	—	—	461	—	540	—	—	—
Maryland	21,095	8,902	115	—	—	—	—	20,192	516	2,467	—	—	—
Mechanics and Traders	45,078	17,413	746	595	—	—	—	987	754	343	10	—	683
Mercantile	55,631	4,645	301	—	—	—	—	10	—	1,239	—	—	—
Mechanics (N. Y.)	30,344	3,435	65	—	—	—	—	1,445	—	725	—	—	—
Mechanics and Manufacturers	1,592	1,989	108	—	—	—	—	1,721	—	—	—	—	—
Mercury	42,714	12,861	48	136	2	—	—	1,662	—	476	—	—	—
Michigan Fire and Marine	40,002	11,965	555	292	16	2	5	5,075	59	3,338	13	—	—
Milwaukee Mechanics	164,598	22,236	1,314	513	—	—	—	18,117	—	7,563	—	—	—
Minneapolis Fire and Marine	—	—	—	—	—	—	—	—	13	31,693	—	—	—
National Fire	278,373	110,658	5,060	2,176	615	—	—	29,636	—	181	—	—	—
National Fire	38,739	8,639	170	—	—	—	—	5,330	—	—	—	—	—
National-Ben Franklin	16,360	—	—	—	—	—	—	9	—	—	—	—	—
National Grange	173,155	20,184	1,518	4,857	—	—	—	4,346	—	3,359	—	—	—
National Liberty	6,900	589	—	—	—	—	—	21	—	—	—	—	—
National Reserve	30,285	13,533	427	152	26	—	—	1,336	—	2,109	—	—	—
National Security	182,303	25,374	85	1,384	39	—	—	22,242	—	6,527	—	—	—
National Union	42,149	13,831	182	290	—	—	—	22,375	—	—	129	—	2,274
Norfolk	19,933	3,126	136	—	—	—	—	252	—	—	—	—	—
New Brunswick	167,860	36,073	1,890	247	127	—	—	20,512	17,451	—399	—	—	—
New Hampshire	29,371	7,967	509	—	—	—	—	10,766	—	4,277	—	—	—
New York Fire	93,054	12,096	1,557	28	17	—	—	29,113	70	11,300	—	—	—
New York Underwriters	153,951	38,105	3,065	1,312	—	—	—	13,523	—	3,438	—	—	—
Niagara	1,376	217	—	17	1	—	—	41	—	60	—	—	—
North American Fire and Marine	89,601	10,107	1,456	59	43	—	—	7,834	—	—	—	—	—
Northern (N. Y.)	11,280	26,163	1,111	—	14	—	—	13,646	94,109	49,991	65	68	405
North River	94,855	28,183	1,111	—	—	—	—	408	17	810	—	—	—
Northwestern Fire and Marine	23,365	1,228	277	163	6	—	—	1,424	208	—	—	—	—
Northwestern National	—	955	—	—	—	—	—	—	—	—	—	—	—
Ohio Farmers	22,333	7,421	1,047	17	—	—	—	4,029	—	—	—	—	—

TABLE 10.—*Massachusetts Business—Net Losses paid during 1945—Concluded*

COMPANIES	Fire	Extended Coverage	Tornado, Windstorm, Cyclone, Hail (except growing crops)	Riot, Civil Commotion and Explosion	Earthquake	Hail (growing crops only)	Motor Vehicles	Ocean Marine	Inland Navigation and Transportation	Aircraft	Ocean Marine (War Risk Only)	All Other
<i>United States Branches, Companies of Other Countries Concluded</i>												
Century	\$11,489	\$2,377	\$43	\$358	—	—	\$133	\$7,564	\$25	—	—	—
Commercial Union Assurance	34,161	10,060	1,689	939	—	—	1,631	14,235	21,902	—	—	—
Eagle Star	5,226	4,802	—	—	—	—	12,236	501	—	—	—	—
Indemnity Marine	—	—	—	—	—	—	—	15,470	107	—	—	—
Law Union and Rock	9,213	3,404	213	—	—	—	2,105	—	423	—	—	—
Liverpool and London and Globe	179,104	54,930	10,109	863	—	—	20,311	4,501	2,143	\$287	—	—
London Assurance	30,303	11,593	256	383	—	—	3,950	61,221	8,003	10	—	—
London & Lancashire	82,542	18,252	2,650	517	—	—	15,693	—	10	—	—	—
London and Scottish	920	1,022	—	—	—	—	201	—	—	—	—	—
Marine	—	—	—	—	—	—	42,318	21,476	4,072	10	\$50	—
Netherlands	85,886	9,747	329	204	—	—	9,433	—	462	—	—	—
North British and Mercantile	131,911	43,542	4,206	534	—	—	10,176	1,620	8,464	2,427	—	—
Northern Assurance	67,533	24,091	1,512	418	—	—	1,510	7,020	14,866	—604	3,206	—
Norwich Union	52,409	15,345	1,310	96	—	—	1,675	1,989	4,677	—	—	—
Ocean Marine	—	—	—	—	—	—	—	1,261	—	—	—	—
Pacific Coast	3,210	319	90	—	—	—	—5	—	100	—	—	—
Palatine	26,686	8,468	134	—	\$33	—	14	—	—	—	—	—
Phoenix Assurance	100,970	39,840	3,552	172	—	—	6,022	—	5,711	2,512	—	—
Royal	139,074	43,553	2,828	411	—	—	47,076	25,452	352	8,563	—	—
Royal Exchange	64,988	17,913	2,036	197	—	—	8,024	2,629	3,462	—	—	—
Scottish Union and National	88,828	14,973	765	363	—	—	156	—	991	—	—	—
Sea	4,819	2,112	—	—	—	—	35,856	10,924	12,449	10	1,554	—
Standard Marine	—	—	—	—	—	—	—	1,012	2,084	—	—	—
State Assurance	925	—	—	—	—	—	—	—	—	—	—	—
Sun	34,755	8,226	538	40	—	\$1	1,172	7,586	2,298	—	1	—
"Switzerland" General	5,127	1,552	15	7	—	—	703	156	—76	—	—	—
Thames and Mersey	—	—	—	—	—	—	—	2,942	—	—	—	—
Union Assurance	9,567	3,403	—	—	—	—	770	—	—	—	—	—
Union of Canton	2,179	344	15	1	—	—	—	497	1,682	—	—	—
Union Marine	31,047	10,103	137	703	—	—	18	1,989	131	—	—	—
Western Assurance	10,192	702	2,009	—	—	—	842	8,447	254	—	—	—
Yorkshire	71,714	16,569	702	1,250	—	—	10,904	—	—	—	—	—
Totals	\$1,406,706	\$403,974	\$35,350	\$3,121	\$33	\$1	\$203,521	\$200,229	\$97,435	\$13,225	\$4,811	—

Recapitulation

Massachusetts Mutual com- panies other than manufac- turers (29 companies) . . .	\$2,084,058	\$588,906	\$15,234	\$3,032	\$484	\$20	-	\$478,624	-	\$38,094	\$568	-	\$4,785
Mutual companies of other states other than manufac- turers (30 companies) . . .	795,220	135,166	5,242	6,236	237	-	-	97,090	\$35,005	30,229	31	\$2,502	-4,626
Massachusetts manufacturers' mutuals (5 companies) . . .	281,587	-	-	-	-	-	-	-	-	-	-	-	-
Manufacturers' Mutuals of other states (6 companies) . . .	285,297	-	-	-	-	-	-	-	-	-	-	-	-
Massachusetts stock companies (7 companies) . . .	742,957	242,357	15,675	3,137	566	18	\$44	196,070	274,061	103,242	852	47,523	600
Stock companies of other states (161 companies) . . .	9,315,066	2,302,966	188,165	80,571	7,587	1,055	6,764	1,741,833	672,659	1,218,619	7,529	-20,043	6,017
United States branches, com- panies of other countries (38 companies) . . .	1,406,706	403,974	35,350	8,121	312	33	1	263,521	200,229	97,435	13,225	4,811	-
Totals (276 companies) . . .	\$14,910,891	\$3,673,359	\$239,666	\$101,097	\$9,186	\$1,126	\$6,809	\$2,777,138	\$1,181,054	\$1,487,619	\$22,205	\$34,793	\$6,776

TABLE 11.—*Showing Sources of Gain or Loss* in Surplus during 1945*

	Abington Mutual	Aetna	Agricultural	Albany	Allemania	Alliance Assurance (U. S. Branch)	Alliance	Allied American Mutual
<i>From Underwriting</i>								
Premiums earned	\$310,827	\$32,915,469	\$8,235,955	\$689,007	\$2,050,464	\$1,714,743	\$3,884,096	\$1,166,197
Profit and loss	311,597	43,189	6,520	8,469	371	354	11,500	5,399
Total underwriting income earned	311,424	32,964,658	8,242,475	690,538	2,051,335	1,715,077	3,895,596	1,160,798
Losses incurred	125,770	18,904,871	4,484,606	391,353	1,037,761	857,946	2,010,966	622,314
Expenses incurred	128,724	15,197,078	4,064,084	363,128	1,104,599	525,471	1,860,341	314,770
Total losses and expenses	254,494	34,101,949	8,549,290	754,481	2,162,360	1,383,417	3,871,307	937,084
UNDERWRITING GAIN OR LOSS	56,930	1,137,291	306,815	73,943	111,025	331,660	24,289	223,714
<i>From Investments</i>								
Interest and rents earned	\$18,539	\$2,093,664	\$625,561	\$116,170	\$201,521	\$108,004	\$454,897	\$41,742
Profit on investments	9,843	3,379,274	1,645,021	299,668	705,556	117,055	1,289,202	10,940
Total investment income earned	28,382	5,472,938	2,270,582	415,838	907,077	225,059	1,744,099	52,682
Loss on investments	2,266	63,077	81,852	15,354	61,843	1,972	15,932	—
Expenses incurred	2,054	401,123	86,595	27,517	22,433	6,055	17,891	6,912
Total losses and expenses	4,320	464,200	168,447	42,871	84,276	8,027	33,823	6,912
INVESTMENT GAIN OR LOSS	24,062	5,008,738	2,102,135	372,967	822,801	217,032	1,710,276	45,770
<i>From Miscellaneous Sources</i>								
Stockholders' dividends declared	—	\$1,350,000	\$420,000	\$50,000	\$144,000	—	\$350,000	\$7,000
Policyholders' dividends declared	\$48,146	—	—	—	—	\$87,167	—	261,240
Receipts from home office	—	—	—	—	—	—	—	—
Remittances to home office	—	—	—	—	—	—	—	—
Special reserves	—	—	—	—	—	—	—	—
Other gain or loss	—	—	—	—	—	—	—	—
MISCELLANEOUS GAIN OR LOSS	—	—	—	—	—	—	—	—
GAIN OR LOSS IN SURPLUS	29,715	1,252,240	610,993	195,412	606,075	210,848	1,226,313	38,102
<i>Percentages</i>								
Losses incurred to premiums earned	40.46	57.43	54.45	56.80	51.59	50.03	51.77	55.36
Underwriting expenses incurred to premiums earned	41.42	46.17	49.38	52.70	53.87	30.65	47.89	26.99
Investment expenses incurred to interest and rents earned	11.08	19.16	13.84	23.69	11.13	5.61	3.93	16.56
Losses, expenses and dividends to income earned	90.33	93.44	86.92	77.29	80.81	71.72	75.45	99.90

* Minus sign indicates loss in surplus.

TABLE 11.—*Showing Sources of Gain or Loss* in Surplus during 1945—Continued*

	Allied Fire	American (N. J.)	American Alliance	American Automobile	American Aviation	American Central	American Druggist	American Eagle
<i>From Underwriting</i>								
Premiums earned	\$435,797	\$22,654,667	\$3,042,402	\$6,604,654	\$330,650	\$3,011,946	\$449,718	\$4,972,949
Profit and loss	.	.	.	.	.	.	.	.
Total underwriting income earned	866	56,860	—1,113	—8,099	—14,683	8,128	1,056	30,483
Losses incurred	436,663	22,711,527	3,041,289	6,596,555	315,967	3,020,074	450,774	4,943,432
Expenses incurred	193,090	12,970,945	1,661,018	4,289,547	259,417	1,629,915	226,810	2,609,210
Total losses and expenses	162,207	10,569,291	1,524,469	3,887,984	399,081	1,629,362	143,700	2,017,562
UNDERWRITING GAIN OR LOSS	355,297	23,490,236	3,185,487	8,177,551	658,498	3,239,277	372,510	4,686,772
	81,366	—778,709	—144,198	—1,580,976	—342,531	—239,203	78,264	256,660
<i>From Investments</i>								
Interest and rents earned	.	.	.	.	.	.	.	.
Profit on investments	\$26,911	\$1,741,091	\$427,301	\$120,970	\$34,423	\$233,907	\$169,082	\$1,500,051
Total investment income earned	14,371	5,488,028	1,388,313	601,518	107,439	385,728	17,371	2,485,461
Loss on investments	41,282	7,229,119	1,815,614	722,488	141,862	619,635	186,453	3,985,512
Expenses incurred	.	.	.	.	.	.	.	.
Total losses and expenses	3,613	389,105	17,552	18,201	719	31,919	23,459	6,345
INVESTMENT GAIN OR LOSS	3,613	631,961	20,996	138,162	3,473	18,557	81,227	470,382
	37,669	6,597,158	1,794,618	584,326	138,389	569,159	104,686	476,727
							81,767	3,508,785
<i>From Miscellaneous Sources</i>								
Stockholders' dividends declared	.	\$802,498	\$315,000	—	—	\$175,000	\$75,000	\$800,000
Policyholders' dividends declared	\$92,265	—	—	—	—	—	3,371	—
Receipts from home office	.	.	.	.	.	.	.	.
Remittances to home office	.	.	.	.	.	.	.	.
Special reserves	.	.	.	.	.	.	.	.
Other gain or loss	6,320	—246,484	—22,274	\$117,252	\$250,000	—	—	109,918
MISCELLANEOUS GAIN OR LOSS	—85,945	—1,048,982	—337,274	117,252	—6,874	62,577	—48,893	—466,168
GAIN OR LOSS IN SURPLUS	33,090	4,769,467	1,313,146	—879,398	38,984	—112,423	—127,264	—1,156,250
						217,533	32,767	2,609,195
<i>Percentages</i>								
Losses incurred to premiums earned	44.31	57.03	54.60	64.95	78.46	54.11	50.43	54.22
Underwriting expenses incurred to premiums earned	37.22	46.65	50.11	58.87	120.70	54.09	32.40	40.99
Investment expenses incurred to interest and rents earned	13.43	22.35	4.11	15.05	8.00	7.93	48.00	31.36
Losses, expenses and dividends to income earned	94.94	83.25	72.50	113.62	144.59	95.74	87.19	66.79

* Minus sign indicates loss in surplus.

TABLE 11.—*Showing Sources of Gain or Loss* in Surplus during 1945—Continued*

	American Equitable	American and Foreign	American National	American Reserve	American Union	Anchor	Arkwright Mutual	Associated Merchants Mutual
<i>From Underwriting</i>								
Premiums earned	\$8,654,160	\$2,469,973	-	\$3,012,381	\$358,218	\$952,293	\$3,457,669	\$61,339
Profit and loss	4,279	-3,121	-	981	-9,576	-583	-4,265	-854
Total underwriting income earned	8,658,439	2,466,852	-	3,013,362	348,642	951,710	3,453,404	60,485
Losses incurred	5,059,394	1,250,257	-	1,835,329	160,253	562,043	453,169	34,900
Expenses incurred	5,067,356	998,416	-35,723	1,552,609	197,913	423,108	395,581	18,460
Total losses and expenses	10,126,750	2,248,673	-35,723	3,387,938	358,166	985,151	848,750	53,360
UNDERWRITING GAIN OR LOSS	-1,468,311	218,179	35,723	-374,576	-9,524	-33,441	2,604,654	7,125
<i>From Investments</i>								
Interest and rents earned	\$555,873	\$245,777	\$54,454	\$186,964	\$119,100	\$95,866	\$297,632	\$6,030
Profit on investments	4,126,534	477,677	91,909	913,176	43,275	249,998	483,210	4,692
Total investment income earned	4,682,407	723,454	146,363	1,100,140	162,375	345,864	780,842	10,722
Loss on investments	75,798	29,947	144,833	144,833	413	21,248	107,028	199
Expenses incurred	31,954	9,545	2,282	26,708	5,005	4,057	17,922	278
Total losses and expenses	107,752	39,492	2,282	171,541	5,418	25,305	124,950	477
INVESTMENT GAIN OR LOSS	4,574,655	683,962	144,081	928,599	156,957	320,559	655,892	10,245
<i>From Miscellaneous Sources</i>								
Stockholders' dividends declared	\$299,644	\$225,000	\$40,000	\$50,000	\$100,000	\$50,000	\$2,564,901	\$12,425
Policyholders' dividends declared	-	-	-	-	-	-	-	-
Receipts from home office	-	-	-	-	-	-	-	-
Remittances to home office	-	-	-	-	-	-	-	-
Special reserves	-	-	-	-	-	-	-	-
Other gain or loss	798,181	-215,247	-30,511	105,160	-20,296	-7,138	-144,019	-225
MISCELLANEOUS GAIN OR LOSS	498,537	-440,247	-70,511	-44,840	-120,296	-57,138	-2,708,920	-12,650
GAIN OR LOSS IN SURPLUS	3,604,881	461,894	109,293	509,183	27,137	229,980	551,626	4,720
<i>Percentages</i>								
Losses incurred to premiums earned	58.46	50.62	-	60.93	44.74	59.02	13.11	56.90
Underwriting expenses incurred to premiums earned	58.55	40.15	-	51.54	55.25	44.43	11.44	30.10
Investment expenses incurred to interest and rents earned	5.75	6.62	4.19	14.29	4.20	4.23	6.02	4.61
Losses, expenses and dividends to income earned	78.96	78.75	4.48	87.75	90.72	81.73	83.57	93.06

* Minus sign indicates loss in surplus.

TABLE 11.—*Showing Sources of Gain or Loss* in Surplus during 1945—Continued*

	Atlantic Mutual	Atlas Assurance (U. S. Branch)	Attleboro Mutual	Automobile (Conn.)	Automobile Mutual (R. I.)	Baltimore American	Bankers and Shippers	Barnstable County Mutual
<i>From Underwriting</i>								
Premiums earned	\$7,204,371	\$4,166,713	\$40,138	\$19,578,220	\$572,444	\$2,638,764	\$3,436,043	\$102,712
Profit and loss	23,513	-5,386	-202	7,238	6,237	25,704	160	
Total underwriting income earned	7,227,884	4,161,327	39,936	19,585,458	578,681	2,664,468	3,436,203	102,712
Losses incurred	3,307,215	2,291,186	16,224	10,626,256	98,740	1,442,733	2,030,898	58,874
Expenses incurred	2,606,686	2,030,188	18,600	9,647,472	210,986	1,301,524	1,804,378	31,334
Total losses and expenses	5,913,901	4,321,374	34,823	20,273,728	309,726	2,744,257	3,805,276	90,468
UNDERWRITING GAIN OR LOSS	1,313,983	-160,047	5,103	-688,270	268,955	-79,789	-399,073	12,242
<i>From Investments</i>								
Interest and rents earned	\$810,659	\$217,091	\$2,806	\$1,049,672	\$124,326	\$273,415	\$193,124	\$18,890
Profit on investments	1,369,016	743,687	1,698	2,253,727	291,761	821,446	736,958	11,639
Total investment income earned	2,179,675	960,778	4,504	3,303,399	416,087	1,094,861	930,082	30,529
Loss on investments	17,436	30,470	-	52,413	14,746	8,568	8,234	2,033
Expenses incurred	462,089	19,158	107	77,668	11,396	14,548	8,082	1,080
Total losses and expenses	479,525	49,628	107	130,081	26,142	23,116	16,316	3,113
INVESTMENT GAIN OR LOSS	1,700,150	911,150	4,397	3,173,318	389,945	1,071,745	913,766	27,416
<i>From Miscellaneous Sources</i>								
Stockholders' dividends declared	-	-	-	\$700,000	-	\$180,000	\$160,000	-
Policyholders' dividends declared	\$816,431	-	\$11,655	-	\$297,840	-	-	\$54,087
Receipts from home office	-	\$797	-	-	-	-	-	-
Remittances to home office	-	-200,786	-	-	-	-	-	-
Special reserves	-1,934,654	-	-	-2,465,639	-100,000	-	-	-
Other gain or loss	-108,428	-125,295	-	252,379	-50,761	-50,224	2,025	-3,567
MISCELLANEOUS GAIN OR LOSS	-2,859,563	-325,284	-11,655	-2,913,260	-448,601	-230,224	-157,975	-57,654
GAIN OR LOSS IN SURPLUS	154,570	425,819	-2,155	-428,212	210,299	761,732	356,718	-17,994
<i>Percentages</i>								
Losses incurred to premiums earned	45.91	54.99	40.42	54.38	17.25	54.67	59.11	57.32
Underwriting expenses incurred to premiums earned	36.18	48.72	46.36	49.27	36.86	49.32	52.32	30.76
Investment expenses incurred to interest and rents earned	57.00	8.82	3.83	7.40	9.17	5.32	4.18	5.72
Losses, expenses and dividends to income earned	76.64	85.33	104.29	92.20	66.22	78.40	91.88	111.67

* Minus sign indicates loss in surplus.

TABLE 11.—*Showing Sources of Gain or Loss* in Surplus during 1915—Continued*

	Berkshire Mutual	Birmingham	Blackstone Mutual	Boston	Boston Manufacturers Mutual	British America (U. S. Branch)	British and Foreign (U. S. Branch)	British General (U. S. Branch)
<i>From Underwriting</i>								
Premiums earned	\$899,150	\$228,695	\$3,743,766	\$6,497,963	\$4,473,262	\$620,386	\$2,147,870	\$433,239
Profit and loss	406	—36	—5,218	43,606	—49,139	509	—16,617	—900
Total underwriting income earned	899,556	228,659	3,738,548	6,541,569	4,424,123	620,895	2,131,253	432,339
Losses Incurred	337,311	124,458	523,892	3,263,227	588,015	382,403	1,094,424	234,307
Expenses incurred	397,780	114,109	531,092	3,268,218	535,439	348,604	1,030,801	233,848
Total losses and expenses	735,091	238,567	1,054,984	6,531,445	1,123,454	731,007	1,825,225	468,155
UNDERWRITING GAIN OR LOSS	124,465	—9,908	2,693,564	10,124	3,300,669	—110,112	306,028	—35,816
<i>From Investments</i>								
Interest and rents earned	\$36,674	\$75,952	\$271,651	\$1,057,988	\$278,903	\$92,690	\$143,834	\$45,356
Profit on investments	33,035	133,139	536,313	2,515,141	535,947	248,760	107,125	54,626
Total investment income earned	69,709	209,091	807,964	3,573,129	814,850	341,450	250,959	99,982
Loss on investments	22	5,177	11,395	42,689	13,538	23,415	20,740	1,688
Expenses incurred	5,043	7,138	12,650	121,823	16,854	4,330	13,931	2,515
Total losses and expenses	5,065	12,315	24,045	164,522	30,392	27,745	34,671	4,203
INVESTMENT GAIN OR LOSS	64,644	196,776	783,919	3,408,607	784,458	313,705	216,288	95,779
<i>From Miscellaneous Sources</i>								
Stockholders' dividends declared	—	\$20,000	—	\$630,000	—	—	—	—
Policyholders' dividends declared	\$164,187	—	\$2,615,058	—	\$3,183,604	—	—	—
Receipts from home office	—	—	—	—	—	—	\$205,540	—
Remittances to home office	—	—	—	—	—	—	—	—
Special reserves	—2,619	—	—140,000	—	—324,398	—	—	—
Other gain or loss	—7,132	—27,661	—43,645	53,991	—130,778	4,572	—41,165	5,232
MISCELLANEOUS GAIN OR LOSS	—173,938	—47,661	—2,798,703	—576,009	—3,638,778	—63,303	—173,585	—40,887
GAIN OR LOSS IN SURPLUS	15,171	139,207	678,780	2,842,722	446,349	140,290	348,731	1,576
<i>Percentages</i>								
Losses incurred to premiums earned	43.08	54.42	13.99	50.22	13.15	61.64	50.95	54.08
Underwriting expenses incurred to premiums earned	43.13	49.89	—	50.30	11.97	56.19	34.03	53.98
Investment expenses incurred to interest and rents earned	13.75	9.40	4.66	11.51	6.04	4.67	9.69	5.55
Losses, expenses and dividends to income earned	97.43	61.88	81.03	72.67	82.79	78.84	78.07	88.74

* Minus sign indicates loss in surplus.

TABLE 11.—*Showing Sources of Gain or Loss* in Surplus during 1945—Continued*

	Buffalo	Caledonian-American	Caledonian (U. S. Branch)	California	Cambridge Mutual	Camden	Capital (Cal.)	Capital (N. H.)
<i>From Underwriting</i>								
Premiums earned	\$2,692,678	\$772,800	\$2,548,546	\$1,830,472	\$693,232	\$8,246,043	\$616,779	\$46,489
Profit and loss	6,441	3,449	—69,279	—1,131	—132	—918	—	9
Total underwriting income earned	2,699,119	776,249	2,479,267	1,829,341	693,100	8,245,125	623,419	46,498
Losses incurred	1,360,061	516,722	1,546,898	990,806	304,019	4,384,902	327,224	17,494
Expenses incurred	1,580,150	439,781	1,480,090	980,962	261,733	4,047,873	33,687	33,687
Total losses and expenses	2,940,211	956,503	3,026,988	1,971,768	565,752	8,432,775	614,496	51,181
UNDERWRITING GAIN OR LOSS	—241,092	—180,254	—556,721	—142,427	127,348	—187,650	8,923	—4,683
<i>From Investments</i>								
Interest and rents earned	\$257,844	\$52,653	\$140,981	\$225,182	\$38,080	\$556,976	\$63,225	\$11,817
Profit on investments	268,537	160,312	195,048	75,934	70,633	849,997	26,051	38,449
Total investment income earned	526,381	212,965	336,029	301,116	108,713	1,399,973	89,276	50,266
Loss on investments	16,351	50,131	35,445	22,362	2,370	69,135	5,103	4,337
Expenses incurred	58,884	10,252	31,961	60,823	2,300	48,120	2,912	578
Total losses and expenses	75,235	60,383	67,406	83,185	4,679	117,255	8,015	4,915
INVESTMENT GAIN OR LOSS	451,146	152,582	268,623	217,931	104,034	1,282,718	81,261	45,351
<i>From Miscellaneous Sources</i>								
Stockholders' dividends declared	\$120,000	\$40,000	—	\$100,000	—	\$400,000	\$50,000	\$12,111
Policyholders' dividends declared	—	—	—	—	—	—	—	—
Receipts from home office	—	—	\$40,098	—	—	—	—	—
Remittances to home office	—	—	—108,464	—	—	—	—	—
Special reserves	—	—	—	—	—	—	—	—
Other gain or loss	83,155	—3,065	22,137	—	—30,000	—145,000	—	—
MISCELLANEOUS GAIN OR LOSS	—36,845	—43,065	—46,229	50,309	—5,259	—123,716	—19,328	335
GAIN OR LOSS IN SURPLUS	173,209	—70,737	—334,327	—49,691	—139,675	—668,716	—69,328	—11,776
				25,813	91,707	426,352	20,856	28,892
<i>Percentages</i>								
Losses incurred to premiums earned	50.51	66.86	60.70	54.13	43.86	53.18	53.05	37.63
Underwriting expenses incurred to premiums earned	58.68	56.90	58.43	53.59	37.76	49.09	46.58	72.46
Investment expenses incurred to interest and rents earned	22.84	19.47	22.67	27.01	6.06	8.64	4.61	4.80
Losses, expenses and dividends to income earned	97.21	106.84	110.23	101.15	84.17	92.79	94.36	70.49

*Minus sign indicates loss in surplus.

TABLE 11.—*Showing Sources of Gain or Loss* in Surplus during 1945—Continued*

	Carolina	Centennial	Central (Md.)	Central Manufacturers Mutual	Central States	Central Union	Century (U. S. Branch)	Charter Oak
<i>From Underwriting</i>								
Premiums earned	\$1,043,353	\$1,391,906	\$1,520,359	\$5,746,200	-	\$143,030	\$2,040,103	\$772,494
Profit and loss	6,055	1,114,933	1,1929	3,800	\$22	919	1,450	683
Total underwriting income earned	1,049,408	1,380,413	1,518,430	5,750,000	22	143,949	2,041,553	771,811
Losses incurred	623,625	790,925	815,477	2,711,364	-	60,580	1,022,005	347,623
Expenses incurred	545,893	372,000	786,622	2,319,838	-	86,797	895,826	353,228
Total losses and expenses	1,169,518	1,162,925	1,602,099	5,031,402	-	147,377	1,917,831	700,851
UNDERWRITING GAIN OR LOSS	-120,110	217,488	-83,669	718,598	22	-3,428	123,722	70,960
<i>From Investments</i>								
Interest and rents earned	\$88,432	\$52,697	\$186,522	\$274,911	\$68,911	\$56,831	\$199,692	\$64,618
Profit on investments	312,115	2,486	885,207	437,548	145,462	25,395	701,463	-
Total investment income earned	400,547	55,183	1,071,729	712,459	214,373	82,226	901,155	64,618
Loss on investments	688	2,747	10,651	28,411	393	832	4,927	-
Expenses incurred	4,433	3,759	43,805	34,596	6,036	2,810	13,007	4,018
Total losses and expenses	5,121	6,506	54,456	63,007	6,429	3,642	17,934	4,018
INVESTMENT GAIN OR LOSS	395,426	48,677	1,017,273	649,452	207,944	78,584	883,221	60,600
<i>From Miscellaneous Sources</i>								
Stockholders' dividends declared	\$70,000	-	\$75,000	\$1,110,826	\$60,000	\$25,000	-	\$40,000
Policyholders' dividends declared	-	-	-	-	-	-	-	-
Receipts from home office	-	-	-	-	-	-	-	-
Remittances to home office	-	-	-	-	-	-	-	-
Special reserves	-	-	-	-	-	-	-	-
Other gain or loss	4,424	-\$164,828	-5,467	-132,517	-8,044	-33,734	-177,916	-45,570
MISCELLANEOUS GAIN OR LOSS	-65,576	-164,828	-80,467	-1,243,343	-68,044	-58,734	-510,710	-85,570
GAIN OR LOSS IN SURPLUS	209,740	101,337	853,137	124,707	139,922	16,422	496,233	45,990
<i>Percentages</i>								
Losses incurred to premiums earned	59.77	56.82	53.64	47.19	-	42.35	50.10	45.00
Underwriting expenses incurred to premiums earned	52.31	26.73	51.73	40.37	-	60.68	43.91	45.73
Investment expenses incurred to interest and rents earned	5.01	7.13	23.49	12.58	8.76	4.94	6.51	6.22
Losses, expenses and dividends to income earned	85.84	81.46	66.85	96.02	30.98	77.82	65.78	89.05

* Minus sign indicates loss in surplus.

TABLE 11.—*Showing Sources of Gain or Loss* in Surplus during 1945—Continued*

	Church Properties	Citizens (N. J.)	City of New York	Columbia (N. Y.)	Columbia (Ohio)	Commerce	Commercial Union Assurance (U. S. Branch)	Commercial Union (N. Y.)
<i>From Underwriting</i>								
Premiums earned	\$52,144	\$553,393	\$2,044,176	\$1,025,757	\$849,455	\$2,142,295	\$7,655,506	\$1,452,512
Profit and loss	—	31,464	—	—23,956	—145	—38	6,300	—5,890
Total underwriting income earned	52,144	553,357	2,075,640	1,001,801	849,310	2,142,257	7,671,806	1,446,122
Losses incurred	43,862	369,519	1,103,028	600,226	483,786	1,151,200	3,408,155	786,219
Expenses incurred	14,409	256,728	1,049,709	671,576	410,511	964,824	3,524,344	786,303
Total losses and expenses	58,271	646,247	2,152,737	1,272,102	903,297	2,116,024	6,932,499	1,572,522
UNDERWRITING GAIN OR LOSS	—6,127	—92,890	—77,097	—270,301	—53,987	26,233	739,307	—126,400
<i>From Investments</i>								
Interest and rents earned	\$23,054	\$126,886	\$212,710	\$131,274	\$141,424	\$168,681	\$562,196	\$101,836
Profit on investments	23,001	134,927	703,951	104,739	526,971	542,136	404,051	176,334
Total investment income earned	46,055	261,813	916,661	236,013	668,395	708,817	966,247	278,170
Loss on investments	682	—	3,562	—	2,568	1,989	53,883	2,437
Expenses incurred	1,573	4,562	7,486	5,861	11,776	11,983	151,201	6,013
Total losses and expenses	2,255	4,562	11,048	5,861	14,344	13,972	205,084	8,450
INVESTMENT GAIN OR LOSS	43,800	257,251	905,613	230,152	654,051	694,845	761,163	269,720
<i>From Miscellaneous Sources</i>								
Stockholders' dividends declared	\$65,000	\$30,000	\$150,000	\$100,000	\$100,000	\$400,000	—	\$80,000
Policyholders' dividends declared	—	—	—	—	—	—	\$151,378	—
Receipts from home office	—	—	—	—	—	—	—1,193,731	—
Remittances to home office	—	—	—	—	—	—	—	—
Special reserves	1,025	1,831	—31,489	23,622	1,409	203,174	227,460	53,382
Other gain or loss	—63,975	—28,169	—181,489	—76,378	—98,591	—247,967	—814,893	—26,618
MISCELLANEOUS GAIN OR LOSS	—26,302	136,192	64,027	—116,527	501,473	473,111	685,577	116,702
<i>Percentages</i>								
Losses incurred to premiums earned	84.12	70.39	53.96	58.52	56.95	53.74	44.46	54.14
Underwriting expenses incurred to premiums earned	27.64	46.39	51.35	65.50	49.38	45.04	45.97	54.12
Investment expenses incurred to interest and rents earned	6.82	3.60	3.52	4.47	8.33	7.19	26.89	5.90
Losses, expenses and dividends to income earned	127.83	83.52	77.32	111.32	67.04	88.74	82.63	96.33

* Minus sign indicates loss in surplus.

TABLE 11.—*Showing Sources of Gain or Loss* in Surplus during 1945—Continued*

	Commonwealth	Concordia	Connecticut	Continental	Cotton and Woolen Manufacturers Mutual	County	Detroit Fire and Marine	Dixie
<i>From Underwriting</i>								
Premiums earned	\$2,519,473	\$2,253,895	\$7,865,639	\$29,192,632	\$2,453,694	\$743,332	\$1,342,892	\$424,728
Profit and loss	4,664	7,679	828	99,327	1,919	—82	—648	—
Total underwriting income earned	2,524,137	2,261,574	7,866,467	29,291,959	2,455,613	743,250	1,342,436	424,080
Losses incurred	1,393,761	1,262,921	4,071,623	15,350,675	316,891	707,459	728,091	241,893
Expenses incurred	1,371,916	1,150,548	3,848,252	12,057,326	313,754	385,422	675,561	209,303
Total losses and expenses	2,765,677	2,413,469	7,919,875	27,408,001	630,645	792,881	1,403,652	451,196
UNDERWRITING GAIN OR LOSS	—241,540	—151,895	—53,408	1,883,958	1,824,968	—49,631	—61,216	—27,116
<i>From Investments</i>								
Interest and rents earned	\$244,196	\$163,265	\$807,444	\$5,150,967	\$905,759	\$110,406	\$163,328	\$97,536
Profit on investments	396,768	325,749	1,979,855	22,020,817	151,821	347,486	444,140	204,502
Total investment income earned	640,964	489,014	2,787,299	27,171,784	357,580	457,892	607,468	302,038
Loss on investments	19,842	54,720	54,386	343,983	10,115	768	2,711	—
Expenses incurred	11,219	6,311	32,776	175,162	8,754	7,215	21,318	26,969
Total losses and expenses	31,061	61,031	87,162	521,145	18,869	7,983	24,029	26,969
INVESTMENT GAIN OR LOSS	609,903	427,983	2,700,137	26,650,639	338,711	449,909	583,439	275,069
<i>From Miscellaneous Sources</i>								
Stockholders' dividends declared	\$200,000	\$160,000	\$650,000	\$3,999,985	—	\$80,000	\$100,000	\$50,000
Policyholders' dividends declared	—	—	—	—	\$1,768,849	—	—	—
Receipts from home office	—	—	—	—	—	—	—	—
Remittances to home office	—	—	—	—	—	—	—	—
Special reserves	—	—	—	—14,352,334	—	—	—	—
Other gain or loss	354,997	—13,343	—239,500	—1,766,889	—110,287	—8,735	—10,864	1,050
MISCELLANEOUS GAIN OR LOSS	154,997	—173,343	—889,500	—20,119,208	—1,879,136	—88,735	—110,864	—48,950
GAIN OR LOSS IN SURPLUS	523,360	102,745	1,737,229	8,415,389	284,543	311,543	411,359	199,003
<i>Percentages</i>								
Losses incurred to premiums earned	55.32	56.03	51.76	52.58	12.91	54.82	54.22	56.95
Underwriting expenses incurred to premiums earned	54.45	51.05	48.93	41.30	12.79	51.85	50.31	49.28
Investment expenses incurred to interest and rents earned	4.59	3.87	4.06	3.40	4.25	6.54	13.05	27.65
Losses, expenses and dividends to income earned	94.68	95.80	81.26	56.55	85.97	73.84	78.35	72.74

*Minus sign indicates loss in surplus.

TABLE 11.—Showing Sources of Gain or Loss* in Surplus during 1945—Continued

	Dorchester Mutual	Dubuque Fire and Marine	Eagle (N. Y.)	Eagle Star (U. S. Branch)	East and West	Empire State	Employers' Fire	Employers Mutual (Wisconsin)
<i>From Underwriting</i>								
Premiums earned	\$313,679	\$3,095,490	\$761,938	\$871,110	\$1,427,122	\$2,058,989	\$5,074,165	\$681,008
Profit and loss	.	14,757	355	25,951	5,353	199	1,660	143
Total underwriting income earned	.	3,110,247	762,293	897,061	1,432,475	2,059,188	5,075,825	681,151
Losses incurred	.	1,582,229	416,809	416,968	780,245	1,121,151	2,904,178	251,310
Expenses incurred	.	1,806,657	411,069	256,589	646,822	1,015,176	2,639,286	199,734
Total losses and expenses	.	3,388,886	827,878	673,557	1,427,067	2,136,327	5,543,464	451,044
UNDERWRITING GAIN OR LOSS	.	-278,639	-65,585	223,504	5,408	-77,139	-467,639	230,107
<i>From Investments</i>								
Interest and rents earned	.	\$140,549	\$80,302	\$130,173	\$141,849	\$169,395	\$224,079	\$21,272
Profit on investments	.	699,421	31,182	295,770	251,079	214,649	579,471	5,215
Total investment income earned	.	839,970	111,484	425,943	392,928	384,044	803,550	26,487
Loss on investments	.	18,042	111,380	29,858	17,179	19,816	47,495	350
Expenses incurred	.	10,969	3,734	13,602	12,335	9,043	10,790	2,235
Total losses and expenses	.	29,011	4,114	43,460	29,514	28,859	58,285	2,605
INVESTMENT GAIN OR LOSS	.	\$10,959	107,370	382,483	363,414	355,185	745,265	23,882
<i>From Miscellaneous Sources</i>								
Stockholders' dividends declared	-	\$15,000	\$75,000	-	\$60,000	\$110,000	\$100,000	\$151,855
Policyholders' dividends declared	-	-	-	-	-	-	-	-
Receipts from home office	-	-	-	\$1,147	-	-	-	-
Remittances to home office	-	-	-	-907,618	-	-	-	-
Special reserves	-	-	-	-	-	-50,000	-383,378	-
Other gain or loss	-2,733	-299,155	-3,368	659	-21,847	-91	479,798	-22,489
MISCELLANEOUS GAIN OR LOSS	-74,773	-314,155	-78,368	-905,812	-81,847	-160,091	-3,580	-174,344
GAIN OR LOSS IN SURPLUS	1,068	218,165	-36,583	-299,825	286,975	117,955	274,046	79,645
<i>Percentages</i>								
Losses incurred to premiums earned	52.97	51.11	54.70	47.87	54.67	54.45	57.23	36.90
Underwriting expenses incurred to premiums earned	38.15	58.37	53.95	29.45	45.32	49.31	52.01	29.33
Investment expenses incurred to interest and rents earned	3.73	7.80	4.65	10.45	8.70	5.34	4.82	10.60
Losses, expenses and dividends to income earned	98.95	86.88	103.80	54.20	83.08	93.12	96.98	85.57

* Minus sign indicates loss in surplus.

TABLE 11.—*Showing Sources of Gain or Loss* in Surplus during 1945—Continued*

	Equitable Fire and Marine	Excelsior	Export	Fall River Manufacturer's Mutual	Farmers' (Pa.)	Federal	Federal Mutual	Federal Union
<i>From Underwriting</i>								
Premiums earned	\$1,573,128	\$501,211	\$192,489	\$1,152,454	\$966,917	\$6,509,176	\$759,486	\$1,386,607
Profit and loss	2,261	152	2,044	50,364	2,827	61,394	6	4,462
Total underwriting income earned	1,575,389	501,059	190,445	1,202,818	964,090	6,570,570	759,480	1,382,145
Losses incurred	814,325	251,506	25,713	151,448	564,277	3,305,673	338,040	732,457
Expenses incurred	739,903	272,843	27,586	136,881	522,143	2,289,372	345,052	652,355
Total losses and expenses	1,554,228	524,349	1,853	288,329	1,086,420	5,595,045	683,092	1,384,812
UNDERWRITING GAIN OR LOSS	1,101	23,290	192,298	914,489	122,630	975,525	76,388	2,667
<i>From Investments</i>								
Interest and rents earned	\$235,750	\$37,145	\$24,166	\$95,245	\$84,450	\$744,540	\$20,132	\$105,460
Profit on investments	489,003	83,978	8,875	183,802	86,535	2,637,938	6,851	156,896
Total investment income earned	724,753	121,123	33,041	279,047	170,985	3,382,478	26,983	262,356
Loss on investments	34,366	241	—	13,832	2,430	199,520	159	28,263
Expenses incurred	10,912	2,289	1,587	9,802	13,101	47,253	2,996	8,829
Total losses and expenses	45,278	2,530	1,587	23,634	15,531	246,773	3,155	37,092
INVESTMENT GAIN OR LOSS	679,475	119,593	31,454	255,413	155,454	3,135,705	23,828	225,264
<i>From Miscellaneous Sources</i>								
Stockholders' dividends declared	\$100,000	\$23,100	\$100,000	\$821,123	—	\$620,000	\$3,000	\$90,000
Policyholders' dividends declared	—	—	—	—	—	—	112,357	—
Receipts from home office	—	—	—	—	—	—	—	—
Remittances to home office	—	—	—	—	—	—	—	—
Special reserves	—	59,361	—	136,988	—	2,351,400	—	—
Other gain or loss	59,305	33,200	81,702	36,945	\$21,728	619,837	5,511	2,121
MISCELLANEOUS GAIN OR LOSS	159,305	108,661	181,702	995,056	21,728	3,591,327	120,868	92,121
GAIN OR LOSS IN SURPLUS	521,271	12,358	42,050	174,846	11,096	519,903	20,652	130,476
<i>Percentages</i>								
Losses incurred to premiums earned	51.76	50.18	13.37	13.14	58.36	50.78	44.51	52.82
Underwriting expenses incurred to premiums earned	48.31	54.44	10	11.87	58.03	35.17	45.43	47.05
Investment expenses incurred to interest and rents earned	4.63	6.16	6.57	10.29	15.51	6.35	14.88	8.37
Losses, expenses and dividends to income earned	74.76	88.25	44.63	76.46	97.11	64.92	101.93	91.94

* Minus sign indicates loss in surplus.

TABLE 11.—*Showing Sources of Gain or Loss* in Surplus during 1945—Continued*

	Fidelity and Guaranty	Fidelity- Phenix	Fire Association of Philadelphia	Fireman's Fund	Firemen's (D. C.)	Firemen's (N. J.)	Firemen's Mutual	First American
<i>From Underwriting</i>								
Premiums earned	\$7,907,087	\$23,105,438	\$10,228,023	\$32,597,749	\$204,531	\$19,304,006	\$4,654,422	\$1,129,961
Profit and loss	-10,942	78,251	27,159	-15,010	-2,885	103,210	7,767	2,442
Total underwriting income earned	7,896,145	23,183,689	10,255,182	32,582,739	201,646	19,407,216	4,662,189	1,127,519
Losses incurred	4,761,242	12,878,887	5,611,682	20,024,546	106,574	10,839,259	645,412	553,721
Expenses incurred	4,124,329	9,376,206	5,205,897	11,696,806	163,294	9,803,763	110,246	562,763
Total losses and expenses	8,885,571	22,255,183	10,817,579	31,721,351	271,868	20,703,022	753,658	1,116,484
UNDERWRITING GAIN OR LOSS	-989,426	928,506	-562,397	861,388	-70,222	-1,295,806	3,908,531	11,035
<i>From Investments</i>								
Interest and rents earned	\$340,557	\$4,256,723	\$961,667	\$2,432,890	\$50,707	\$2,035,147	\$367,654	\$190,436
Profit on investments	938,714	20,962,293	2,717,154	6,035,939	107,694	4,840,567	1,702,518	795,355
Total investment income earned	1,279,271	25,219,016	3,678,821	8,468,829	158,401	6,875,714	2,070,172	985,791
Loss on investments	60,499	264,646	142,554	178,290	200	279,315	208,115	1,856
Expenses incurred	30,450	139,073	166,280	306,119	13,093	204,742	24,605	6,612
Total losses and expenses	90,949	403,719	308,834	484,409	13,293	544,057	233,720	8,468
INVESTMENT GAIN OR LOSS	1,188,322	24,815,297	3,369,987	7,984,420	145,108	6,331,657	1,836,452	977,323
<i>From Miscellaneous Sources</i>								
Stockholders' dividends declared	\$100,000	\$3,299,993	\$959,514	\$1,525,713	\$21,000	\$845,792	-	\$150,000
Policyholders' dividends declared	-	-	-	-	-	-	\$3,304,417	-
Receipts from home office	-	-	-	-	-	-	-	-
Remittances to home office	-	-	-	-	-	-	-	-
Special reserves	-121,167	-10,714,512	400,000	-5,000,000	-	-	-350,000	-
Other gain or loss	156,156	-1,112,511	46,540	-2,942,160	12,140	-316,635	-70,833	-47,104
MISCELLANEOUS GAIN OR LOSS	-65,011	-15,127,016	-512,974	-9,467,873	-8,860	-1,162,427	-3,724,850	-197,104
GAIN OR LOSS IN SURPLUS	133,885	10,616,787	2,294,616	-622,065	66,026	3,873,424	2,020,133	791,254
<i>Percentages</i>								
Losses incurred to premiums earned	60.21	55.74	54.86	61.43	52.11	56.15	13.82	49.00
Underwriting expenses incurred to premiums earned	52.16	40.58	50.90	35.89	73.48	51.10	2.37	49.81
Investment expenses incurred to interest and rents earned	8.94	3.27	17.29	12.58	25.82	13.01	6.69	3.47
Losses, expenses and dividends to income earned	98.92	53.63	86.74	82.17	80.87	84.06	63.74	60.33

* Minus sign indicates loss in surplus.

TABLE 11.—Showing Sources of Gain or Loss* in Surplus during 1945—Continued

	First National	Fitchburg Mutual	Franklin (Pa.)	Franklin National	Fulton	General Exchange	General (Seattle)	Gibraltar Fire and Marine
<i>From Underwriting</i>								
Premiums earned	\$1,132,646	\$376,154	\$8,731,731	\$709,462	—	\$4,310,912	\$14,683,250	\$1,561,436
Profit and loss	2,440	376,140	45,470	3,184	\$5,608	—10	—25,325	5,691
Total underwriting income earned	1,135,086	376,194	8,777,201	712,646	5,608	4,310,902	14,657,925	1,567,127
Losses incurred	509,239	138,254	4,648,141	393,981	—	3,138,744	7,292,321	912,476
Expenses incurred	615,805	143,662	4,164,131	365,197	3,818	3,087,721	7,566,144	766,113
Total losses and expenses	1,125,044	281,916	8,812,272	759,178	3,818	6,226,465	14,858,465	1,678,589
UNDERWRITING GAIN OR LOSS	10,042	94,278	—35,071	—46,532	1,790	—1,915,563	—200,540	—111,462
<i>From Investments</i>								
Interest and rents earned	\$62,218	\$24,050	\$888,254	\$108,009	\$52,609	\$547,740	\$911,943	\$145,109
Profit on investments	38,485	4,639	2,652,684	521,132	207,393	2,953,453	2,775,590	443,842
Total investment income earned	100,703	28,689	3,540,938	629,161	260,092	3,501,223	3,687,533	590,951
Loss on investments	—	823	5,767	54,388	1,101	3,799	11,168	157
Expenses incurred	5,036	7,724	48,147	5,698	1,770	30,184	97,856	5,544
Total losses and expenses	5,036	8,547	53,914	60,086	2,871	33,983	109,024	5,701
INVESTMENT GAIN OR LOSS	95,667	20,142	3,487,024	569,075	257,221	3,467,240	3,578,509	585,250
<i>From Miscellaneous Sources</i>								
Stockholders' dividends declared	—	—	\$900,000	—	—	—	\$370,000	\$100,000
Policyholders' dividends declared	\$35,178	\$97,189	—	—	—	—	487,141	—
Receipts from home office	—	—	—	—	—	—	—	—
Remittances to home office	—	—	—	—	—	—	—	—
Special reserves	1,548	—3,336	—1,000,000	—\$50,000	—	—\$2,784,976	—	—
Other gain or loss	—	—	—228,769	41,569	—\$15,211	8,863	355,381	—16,132
MISCELLANEOUS GAIN OR LOSS	—33,630	—100,525	—1,828,769	—8,431	—15,211	—2,776,113	—501,760	—116,122
GAIN OR LOSS IN SURPLUS	72,079	13,895	1,623,184	514,112	243,800	—1,224,436	2,876,209	357,666
<i>Percentages</i>								
Losses incurred to premiums earned	44.96	36.75	53.23	55.53	—	72.81	49.66	58.44
Underwriting expenses incurred to premiums earned	54.37	38.19	47.69	51.47	—	71.63	51.53	49.06
Investment expenses incurred to interest and rents earned	8.09	32.11	5.42	5.38	3.36	5.51	10.73	3.82
Losses, expenses and dividends to income earned	94.29	95.74	76.85	61.06	2.52	80.14	86.26	82.68

* Minus sign indicates loss in surplus.

TABLE 11.—*Showing Sources of Gain or Loss* in Surplus during 1945—Continued*

	Girard Globe and Marine	Glens Falls	Globe and Republic	Globe and Rutgers	Grain Dealers National Mutual	Granite State	Great American	Hanover
<i>From Underwriting</i>								
Premiums earned	\$2,250,827	\$12,162,735	\$3,605,961	\$4,099,509	\$3,760,543	\$2,116,065	\$20,487,828	\$9,159,097
Profit and loss	—2,102	32,225	557	—9,989	3,802	2,667	38,578	8,957
Total underwriting income earned	2,248,725	12,194,960	3,606,518	4,089,520	3,764,345	2,118,732	20,526,406	9,168,054
Losses incurred	1,262,921	6,523,464	2,108,081	2,485,745	1,673,898	1,258,330	10,926,523	5,256,687
Expenses incurred	1,150,032	5,474,847	2,196,398	2,171,029	1,463,278	1,062,812	9,654,781	4,390,908
Total losses and expenses	2,412,953	11,997,811	4,304,479	4,656,774	3,137,176	2,321,142	20,581,304	9,647,595
UNDERWRITING GAIN OR LOSS	—164,228	197,149	—697,961	—567,254	627,169	—202,410	—54,898	—479,541
<i>From Investments</i>								
Interest and rents earned	\$192,856	\$1,119,008	\$214,917	\$368,675	\$134,376	\$173,904	\$2,134,906	\$671,868
Profit on investments	462,840	2,615,511	1,693,190	2,496,875	111,455	239,614	7,339,744	3,596,441
Total investment income earned	655,696	3,734,519	1,908,107	2,865,550	245,831	413,518	9,474,650	4,268,309
Loss on investments	104,955	107,362	27,411	29,370	25,101	9,150	128,650	456,472
Expenses incurred	30,524	162,284	25,959	36,231	16,330	9,667	51,654	27,583
Total losses and expenses	135,479	269,736	53,370	65,601	41,437	17,817	210,304	484,055
INVESTMENT GAIN OR LOSS	520,217	3,464,783	1,854,737	2,799,949	204,394	395,701	9,264,346	3,784,254
<i>From Miscellaneous Sources</i>								
Stockholders' dividends declared	\$160,000	\$925,000	\$100,000	\$381,675	—	\$120,000	\$1,630,000	\$480,000
Policyholders' dividends declared	—	—	—	—	—	—	—	—
Receipts from home office	—	—	—	—	—	—	—	—
Remittances to home office	—	—	—	—	—	—	—	—
Special reserves	—	—181,000	—	—127,509	—	—	—	—375,000
Other gain or loss	—872	—971,594	36,346	44,163	—47,038	874	58,996	—56,863
MISCELLANEOUS GAIN OR LOSS	—160,872	—2,077,594	—63,654	—465,021	—859,418	—119,126	—1,571,004	—911,863
GAIN OR LOSS IN SURPLUS	195,117	1,584,338	1,093,122	1,767,674	—27,855	74,165	7,638,444	2,392,850
<i>Percentages</i>								
Losses incurred to premiums earned	56.11	53.63	58.46	60.64	44.51	59.47	53.33	57.39
Underwriting expenses incurred to premiums earned	51.09	45.01	60.91	52.95	38.91	50.23	47.12	47.94
Investment expenses incurred to interest and rents earned	15.83	14.51	12.08	9.83	12.16	5.56	3.82	4.11
Losses, expenses and dividends to income earned	93.25	82.82	80.84	73.39	99.52	97.11	74.71	78.98

* Minus sign indicates loss in surplus.

TABLE 11.—*Showing Sources of Gain or Loss* in Surplus during 1945—Continued*

	Hardware Dealers Mutual	Hardware Mutual	Hartford	Hingham Mutual	Holyoke Mutual	Home (N. Y.)	Home Fire and Marine	Homeland
<i>From Underwriting</i>								
Premiums earned	\$5,860,743	\$4,744,202	\$55,979,966	\$279,446	\$1,031,142	\$69,374,510	\$5,377,617	\$1,474,039
Profit and loss	3,969	-0,730	85,467	148	-26	326,492	7,717	-6,645
Total underwriting income earned	5,864,712	4,734,472	56,065,433	279,594	1,031,116	69,701,002	5,385,334	1,467,394
Losses incurred	2,273,067	1,854,760	28,160,871	111,257	400,136	36,546,159	3,185,273	852,636
Expenses incurred	2,032,223	1,640,426	25,410,239	121,914	445,917	30,823,399	2,175,631	881,038
Total losses and expenses	4,305,290	3,504,186	53,571,110	233,171	846,053	67,369,558	5,363,904	1,733,674
UNDERWRITING GAIN OR LOSS	1,559,422	1,230,286	2,494,323	46,423	185,063	2,331,444	21,430	-266,280
<i>From Investments</i>								
Interest and rents earned	\$144,900	\$211,819	\$4,964,160	\$30,254	\$124,047	\$4,879,277	\$308,748	\$115,605
Profit on investments	43,626	180,220	11,468,259	45,997	207,784	15,905,004	1,104,514	183,323
Total investment income earned	188,526	401,039	16,432,419	76,251	331,831	20,784,281	1,413,262	298,928
Loss on investments	32,500	6,864	9,366	5,008	40,566	536,926	4,919	7,948
Expenses incurred	15,941	47,819	496,006	2,011	27,646	423,571	14,620	6,053
Total losses and expenses	48,441	54,683	505,372	7,019	68,212	960,497	19,539	14,001
INVESTMENT GAIN OR LOSS	140,085	346,356	15,927,047	69,232	263,619	19,823,784	1,393,723	284,927
<i>From Miscellaneous Sources</i>								
Stockholders' dividends declared	-	-	\$3,000,00	-	\$7,000	\$3,600,000	\$200,000	\$50,000
Policyholders' dividends declared	\$1,537,144	\$1,398,798	-	\$55,946	202,693	-	-	-
Receipts from home office	-	-	-	-	-	-	-	-
Remittances to home office	-	-	-	-	-	-	-	-
Special reserves	-	-	-	-	-	-	-	-
Other gain or loss	-61,998	-42,340	-1,206,553	-4,182	-5,949	-10,066,859	-750,000	112,369
MISCELLANEOUS GAIN OR LOSS	-1,599,142	-1,441,138	-6,404,654	-60,128	-215,642	-15,923,354	-1,294,327	62,369
GAIN OR LOSS IN SURPLUS	100,365	135,504	12,016,716	55,527	233,040	6,231,874	120,826	81,016
<i>Percentages</i>								
Losses incurred to premiums earned	38.78	39.10	50.31	39.81	38.81	52.68	59.29	57.84
Underwriting expenses incurred to premiums earned	34.67	34.77	45.39	43.59	43.25	44.43	40.46	59.77
Investment expenses incurred to interest and rents earned	11.00	22.58	9.99	7.16	22.29	8.68	4.74	5.24
Losses, expenses and dividends to income earned	97.32	96.17	78.73	83.28	82.47	79.49	82.13	101.78

*Minus sign indicates loss in surplus.

TABLE 11.—*Showing Sources of Gain or Loss* in Surplus during 1945—Continued*

	Homestead	Imperial Assurance	Indemnity Marine (U. S. Branch)	Indiana Lumbermen's Mutual	Insurance Company of North America	Insurance Company of State of Pennsylvania	Inter-Ocean	Jersey
<i>From Underwriting</i>								
Premiums earned	\$1,345,817	\$1,345,385	\$898,573	\$2,959,038	\$40,377,187	\$1,711,661	\$2,748,885	\$2,195,469
Profit and loss	1,858	-11,270	1,858	6,188	249,432	13,458	5,251	561
Total underwriting income earned	1,347,675	1,334,115	900,431	2,965,226	40,277,755	1,698,203	2,754,136	2,196,030
Losses incurred	741,131	779,661	441,787	1,417,481	20,510,910	963,004	1,518,609	1,300,799
Expenses incurred	662,550	794,022	314,335	1,094,965	18,539,761	998,261	1,302,663	1,154,597
Total losses and expenses	1,403,682	1,573,683	756,122	2,512,446	39,069,771	1,963,265	2,821,272	2,456,396
UNDERWRITING GAIN OR LOSS	-56,007	-239,568	144,309	452,780	1,057,984	-265,062	-67,136	-259,366
<i>From Investments</i>								
Interest and rents earned	\$121,421	\$126,422	\$35,263	\$164,549	\$6,270,360	\$170,423	\$143,743	\$124,880
Profit on investments	402,594	130,980	12,472	222,971	24,503,697	778,586	228,347	455,905
Total investment income earned	524,015	257,402	47,735	387,520	30,774,057	949,009	372,090	580,785
Loss on investments	16,486	-	1,355	8,748	209,254	7,064	27,341	3,264
Expenses incurred	5,976	7,061	2,258	42,755	677,471	25,287	28,630	5,275
Total losses and expenses	22,462	7,061	3,613	51,503	886,725	32,351	55,971	8,539
INVESTMENT GAIN OR LOSS	501,553	250,341	44,122	336,017	29,887,332	916,658	316,119	572,246
<i>From Miscellaneous Sources</i>								
Stockholders' dividends declared	\$50,000	\$100,000	-	-	\$4,114,257	\$60,000	\$50,000	\$90,000
Policyholders' dividends declared	-	-	-	\$629,994	-	-	-	-
Receipts from home office	-	-	\$282	-	-	-	-	-
Remittances to home office	-	-	-84,480	-	-	-	-	-
Special reserves	-	-	-	-	-	-	-	-
Other gain or loss	-11,288	-32,704	-43,561	74,762	-11,121,692	-21,710	-122,085	3,785
MISCELLANEOUS GAIN OR LOSS	-61,288	-132,704	-127,759	-55,232	-15,849,705	-81,710	-170,531	-86,215
GAIN OR LOSS IN SURPLUS	384,258	-121,931	60,672	233,565	13,095,611	569,886	78,452	226,665
<i>Percentages</i>								
Losses incurred to premiums earned	55.07	57.95	49.17	47.90	50.80	50.38	55.24	59.25
Underwriting expenses incurred to premiums earned	49.23	59.02	34.98	37.00	45.97	58.32	47.39	52.59
Investment expenses incurred to interest and rents earned	4.92	5.59	6.40	25.98	10.80	14.84	19.92	4.22
Losses, expenses and dividends to income earned	78.87	105.61	80.13	95.26	62.16	77.65	93.64	91.97

*Minus sign indicates loss in surplus.

TABLE 11.—*Showing Sources of Gain or Loss* in Surplus during 1945*—Continued

	Law Union and Rock (U. S. Branch)	Liverpool and London and Globe (U. S. Branch)	London Assurance (U. S. Branch)	London and Lancashire (U. S. Branch)	London and Scottish (U. S. Branch)	Lowell Mutual	Lumber Mutual	Lumbermen's (Pa.)
<i>From Underwriting</i>								
Premiums earned	\$787,466	\$10,908,309	\$4,793,864	\$3,379,706	\$373,757	\$230,256	\$1,609,485	\$1,591,954
Profit and loss	1,466	—45,610	20,100	12,097	3,028	806	—9,469	—208
Total underwriting income earned	789,132	10,862,699	4,813,964	3,391,803	376,785	231,062	1,600,016	1,591,746
Losses incurred	455,801	5,810,291	2,460,248	2,074,362	215,489	121,833	807,019	915,611
Expenses incurred	402,293	5,358,633	2,234,375	1,782,907	202,133	90,567	600,651	806,792
Total losses and expenses	858,094	11,168,924	4,694,623	3,857,269	417,622	212,400	1,407,670	1,722,403
UNDERWRITING GAIN OR LOSS	—68,962	—336,225	119,341	—465,466	—40,837	18,662	192,346	—130,657
<i>From Investments</i>								
Interest and rents earned	\$75,581	\$594,178	\$290,955	\$923,299	\$42,540	\$10,490	\$135,700	\$178,885
Profit on investments	96,990	755,639	365,850	534,237	30,819	20,698	127,217	562,280
Total investment income earned	172,571	1,349,817	656,805	757,486	79,359	31,188	262,917	731,165
Loss on investments	—	67,970	1,652	898	692	1,098	16,855	27,629
Expenses incurred	4,568	25,273	18,364	12,384	2,956	389	28,502	10,005
Total losses and expenses	4,568	93,243	20,016	13,282	3,648	1,487	45,357	37,634
INVESTMENT GAIN OR LOSS	168,003	1,256,574	636,789	744,204	75,711	29,701	217,560	693,531
<i>From Miscellaneous Sources</i>								
Stockholders' dividends declared	—	—	—	—	—	—	—	\$140,000
Policyholders' dividends declared	—	—	—	—	—	—	—	—
Receipts from home office	\$13,135	\$129,077	\$120,806	—	\$687	—	—	—
Remittances to home office	—84,924	—143,410	—476,381	—\$200,000	—42,524	—	—	—
Special reserves	—	—	—	—	—	—	—	—
Other gain or loss	—22,324	64,760	—18,914	4,096	—619	10,119	—28,730	12,700
MISCELLANEOUS GAIN OR LOSS	—94,113	50,427	—374,489	—195,904	—42,456	—49,062	—389,611	—127,210
GAIN OR LOSS IN SURPLUS	4,928	970,776	381,641	82,834	—7,582	—699	20,295	435,664
<i>Percentages</i>								
Losses incurred to premiums earned	57.88	53.26	51.32	61.38	57.65	59.91	50.14	57.51
Underwriting expenses incurred to premiums earned	51.09	49.40	46.61	52.75	54.08	39.33	37.31	50.68
Investment expenses incurred to interest and rents earned	6.04	4.25	6.31	5.55	6.95	3.71	21.00	5.59
Losses, expenses and dividends to income earned	89.70	92.46	86.18	93.28	92.35	104.12	97.37	81.80

* Minus sign indicates loss in surplus.

TABLE 11.—*Showing Sources of Gain or Loss* in Surplus during 1945—Continued*

	Lumbermen's Mutual	Lynn Mutual	Manhattan	Manufacturers and Merchants Mutual	Manufacturers' Mutual	Marine (U. S. Branch)	Maryland	Massachusetts Fire and Marine
<i>From Underwriting</i>								
Premiums earned	\$2,920,833	\$276,558	\$1,231,604	\$187,869	\$11,251,435	\$2,597,255	\$698,715	\$745,889
Profit and loss	276	61	618	44	—6,560	1,411	—491	—228
Total underwriting income earned	2,921,109	276,619	1,232,222	187,913	11,244,875	2,598,666	698,224	745,661
Losses incurred	1,309,184	117,074	669,475	75,763	1,517,351	1,134,214	395,356	402,722
Expenses incurred	1,088,611	130,768	720,042	79,922	1,445,541	1,038,567	285,853	321,762
Total losses and expenses	2,397,795	247,842	1,389,517	155,685	2,962,892	1,932,781	681,209	724,484
UNDERWRITING GAIN OR LOSS	523,314	28,757	—166,295	32,228	8,281,983	665,885	17,015	21,177
<i>From Investments</i>								
Interest and rents earned	\$115,353	\$20,326	\$100,486	\$27,532	\$947,365	\$157,682	\$141,101	\$135,522
Profit on investments	127,141	36,363	171,553	63,991	3,188,365	58,271	524,475	343,040
Total investment income earned	242,494	56,689	272,039	91,523	4,105,730	215,953	665,576	478,562
Loss on investments	6,818	2,172	8,030	6,138	32,040	1,790	20,891	2,536
Expenses incurred	23,000	3,393	5,473	1,509	39,350	11,353	5,210	5,223
Total losses and expenses	29,818	5,565	13,503	7,647	71,390	13,143	26,101	7,769
INVESTMENT GAIN OR LOSS	212,676	51,124	258,536	83,876	4,034,340	202,810	639,475	470,803
<i>From Miscellaneous Sources</i>								
Stockholders' dividends declared	—	—	\$50,000	\$10,011	—	—	\$75,000	\$100,000
Policyholders' dividends declared	\$502,107	\$52,585	—	45,616	\$8,686,347	—	—	—
Receipts from home office	—	—	—	—	—	\$75,047	—	—
Remittances to home office	—	—	—	—	—	—476,086	—	—
Special reserves	—185,413	—	—	—	—	—	25,000	—
Other gain or loss	—54,200	3,223	—6,993	—913	—207,897	—263,619	240,893	—20,891
MISCELLANEOUS GAIN OR LOSS	—741,720	—49,362	—56,993	—56,540	—8,894,244	—664,658	190,893	—120,891
GAIN OR LOSS IN SURPLUS	—5,730	30,519	35,248	59,564	3,422,079	204,037	847,383	371,089
<i>Percentages</i>								
Losses incurred to premiums earned	44.82	42.33	54.36	40.33	13.49	43.67	56.58	53.99
Underwriting expenses incurred to premiums earned	37.27	47.29	59.19	42.55	12.85	30.75	40.91	43.14
Investment expenses incurred to interest and rents earned	19.94	16.69	5.45	5.48	4.15	7.20	3.69	3.85
Losses, expenses and dividends to income earned	92.61	91.81	97.19	78.36	76.35	69.14	57.36	67.98

* Minus sign indicates loss in surplus.

TABLE 11.—*Showing Sources of Gain or Loss* in Surplus during 1945—Continued*

	Mechanics and Traders (Comm.)	Mercantile	Merchants and Business Men's Mutual	Merchants Farmers Mutual	Merchants and Manufacturers (N. Y.)	Merchants Fire (N. Y.)	Merchants Fire (Colorado)	Mercury
<i>From Underwriting</i>								
Premiums earned	\$1,524,927	\$2,477,052	\$536,705	\$198,202	\$2,163,577	\$4,525,968	\$1,217,321	\$3,737,880
Profit and loss	2,691	—5,814	259,084	374	308	—1,390	—1,390	5,592
Total underwriting income earned	1,597,618	2,471,238	795,789	198,576	2,163,885	4,524,612	1,215,931	3,737,288
Losses incurred	838,728	1,184,874	171,735	93,771	1,263,849	2,243,902	673,278	2,245,436
Expenses incurred	739,182	1,356,829	—22,393	80,328	1,317,035	2,188,603	667,578	1,648,041
Total losses and expenses	1,637,910	2,541,803	149,342	174,099	2,580,884	4,432,505	1,340,856	3,893,477
UNDERWRITING GAIN OR LOSS	—110,292	—70,565	646,447	24,477	—416,999	99,107	—124,925	—156,189
<i>From Investments</i>								
Interest and rents earned	\$140,000	\$230,176	\$84,175	\$11,985	\$149,803	\$896,000	\$79,898	\$292,271
Profit on investments	553,333	359,990	16,760	4,628	1,279,440	3,238,661	89,618	19,310
Total investment income earned	693,333	590,166	100,935	16,613	1,429,246	4,134,661	169,516	311,581
Loss on investments	56,784	12,849	1,909	—	17,756	55,672	—	10,172
Expenses incurred	7,854	10,701	6,753	1,017	13,829	31,206	3,410	10,270
Total losses and expenses	64,638	23,550	8,662	1,017	31,585	86,878	3,410	20,442
INVESTMENT GAIN OR LOSS	628,695	566,616	92,273	15,596	1,397,661	4,047,783	166,106	291,139
<i>From Miscellaneous Sources</i>								
Stockholders' dividends declared	—	\$200,000	—	—	\$100,000	\$670,000	\$16,000	\$200,000
Policyholders' dividends declared	—	—	\$590,277	\$63,429	—	—	—	—
Receipts from home office	—	—	—	—	—	—	—	—
Remittances to home office	—	—	—	—	—	—	—	—
Special reserves	—\$50,000	—	—	—	—	—	—	—
Other gain or loss	12,066	220,498	—25,371	2,667	—18,259	—267,873	—12,000	—79,535
MISCELLANEOUS GAIN OR LOSS	—37,934	20,498	—615,648	—60,762	—118,259	—1,244,112	—12,370	—279,535
GAIN OR LOSS IN SURPLUS	480,469	516,549	123,072	—20,689	862,403	2,902,778	28,811	—144,585
<i>Percentages</i>								
Losses incurred to premiums earned	55.00	47.82	32.00	47.31	58.41	49.58	55.31	60.07
Underwriting expenses incurred to premiums earned	52.40	54.78	.94	40.53	60.87	48.35	54.84	44.09
Investment expenses incurred to interest and earnings earned	5.61	4.65	8.02	8.49	9.23	3.49	4.27	3.51
Losses, expenses and dividends to income earned	76.66	90.33	83.45	110.85	75.49	59.88	98.18	101.61

* Minus sign indicates loss in surplus.

TABLE 11.—*Showing Sources of Gain or Loss* in Surplus during 1945—Continued*

	Merrimack Mutual	Michigan Fire and Marine	Michigan Millers Mutual	Middlesex Mutual	Millers' Mutual (Illinois)	Millers' Mutual (Pa.)	Millers' Mutual (Texas)	Millers National
<i>From Underwriting</i>								
Premiums earned	\$1,983,994	\$2,388,744	\$3,410,922	\$1,097,315	\$2,385,770	\$768,468	\$1,403,445	\$4,334,410
Profit and loss	—1,201	2,482	2,646	1,083	557	1,289	1,009	975
Total underwriting income earned	1,982,793	2,391,226	3,413,568	1,098,398	2,386,327	769,757	1,404,454	4,335,385
Losses incurred	841,510	1,382,032	1,590,281	463,205	1,041,045	303,071	726,498	2,220,777
Expenses incurred	930,340	1,148,560	1,377,782	494,973	825,771	343,613	521,516	2,259,553
Total losses and expenses	1,771,750	2,530,592	2,968,063	958,178	1,866,816	646,684	1,248,214	4,480,330
UNDERWRITING GAIN OR LOSS	211,043	—139,366	445,505	140,220	519,511	123,073	156,240	—194,945
<i>From Investments</i>								
Interest and rents earned	\$100,277	\$168,880	\$185,994	\$110,737	\$108,083	\$65,676	\$66,340	\$125,637
Profit on investments	174,108	328,971	343,228	211,539	72,488	17,596	49,137	168,274
Total investment income earned	274,385	497,851	529,222	322,276	180,571	83,272	115,477	293,911
Loss on investments	5,589	6,117	66,592	12,985	14,161	1,973	1,866	26,834
Expenses incurred	24,780	7,035	67,556	20,064	17,609	7,700	10,166	13,279
Total losses and expenses	30,369	13,172	134,148	33,049	31,770	9,673	12,032	40,113
INVESTMENT GAIN OR LOSS	244,016	484,679	395,074	289,227	148,801	73,599	103,445	253,798
<i>From Miscellaneous Sources</i>								
Stockholders' dividends declared	\$7,000	\$120,000	\$678,459	—	\$493,637	\$154,204	\$296,231	\$196,207
Policyholders' dividends declared	357,878	—	—	\$221,782	—	—	—	—
Receipts from home office	—	—	—	—	—	—	—	—
Remittances to home office	—	—	—	—	—	—	—	—
Special reserves	—	—	—	—	200,000	—10,000	50,000	800,000
Other gain or loss	—2,513	—866	—84,406	—6,726	—23,120	—23,960	—29,330	—140,728
MISCELLANEOUS GAIN OR LOSS	—367,391	—120,866	—762,865	—228,508	—316,767	—187,164	—275,581	—443,065
GAIN OR LOSS IN SURPLUS	87,868	224,447	77,714	200,939	351,545	9,568	—15,896	561,918
<i>Percentages</i>								
Losses incurred to premiums earned	42.41	57.86	46.62	42.21	43.64	39.44	51.78	51.47
Underwriting expenses incurred to premiums earned	46.89	43.08	40.40	45.11	34.61	44.71	37.16	52.13
Investment expenses incurred to interest and rents earned	24.71	4.18	36.32	18.12	16.29	11.72	15.32	10.57
Losses, expenses and dividends to income earned	96.00	92.20	95.89	85.38	93.20	95.02	102.40	102.10

* Minus sign indicates loss in surplus.

TABLE 11.—Showing Sources of Gain or Loss* in Surplus during 1945—Continued

	Mill Owners Mutual (Iowa)	Milwaukee Mechanics	Minneapolis Fire and Marine	Mutual Fire Assurance (Mass.)	Mutual Fire (Maine)	Mutual Implement and Hardware	National (Conn.)	National- Ben Franklin
<i>From Underwriting</i>								
Premiums earned	\$2,519,171	\$6,117,477	—	\$22,957	\$135,608	\$6,220,877	\$20,526,381	\$2,253,807
Profit and loss	734	1,812	—	1	—	3,003	32,045	2,553
Total underwriting income earned	2,519,905	6,119,289	—	22,958	135,607	6,223,880	20,558,426	2,256,360
Losses incurred	1,187,741	3,427,928	—	3,073	56,015	2,481,046	11,290,564	1,262,921
Expenses incurred	1,046,234	3,137,768	—	13,446	2,160,195	2,160,195	10,632,825	1,150,714
Total losses and expenses	2,233,975	6,565,696	—	16,519	93,847	4,641,241	21,923,389	2,413,635
UNDERWRITING GAIN OR LOSS	285,930	-446,407	—	6,439	41,760	1,582,639	-1,364,963	-157,275
<i>From Investments</i>								
Interest and rents earned	\$104,895	\$493,831	\$83,375	\$14,010	\$6,771	\$197,660	\$1,395,604	\$182,855
Profit on investments	175,663	1,031,552	221,252	20,300	3,674	31,577	2,832,181	389,115
Total investment income earned	280,558	1,525,383	304,627	34,310	10,445	229,237	4,227,785	571,970
Loss on investments	27,277	225,765	51,927	—	1,000	70,221	822,694	5,203
Expenses incurred	23,236	75,912	799	544	2,692	37,402	191,263	25,596
Total losses and expenses	50,513	301,677	52,726	544	3,692	47,623	1,013,957	30,799
INVESTMENT GAIN OR LOSS	230,045	1,223,706	251,901	33,766	6,753	181,614	3,213,828	541,171
<i>From Miscellaneous Sources</i>								
Stockholders' dividends declared	—	\$320,000	\$40,000	—	—	—	\$1,000,000	\$160,000
Policyholders' dividends declared	\$466,888	—	—	\$21,414	\$39,746	\$1,587,144	—	—
Receipts from home office	—	—	—	—	—	—	—	—
Remittances to home office	—	—	—	—	—	—	—	—
Special reserves	—	—	—	—	—	—	—	—
Other gain or loss	-39,081	-7,435	-9,040	-6,577	-6,374	-51,674	-1,000,000	-9,960
MISCELLANEOUS GAIN OR LOSS	-505,969	-327,435	-49,040	-27,991	-46,120	-1,638,818	-1,381,978	-169,960
GAIN OR LOSS IN SURPLUS	10,006	449,864	202,861	12,214	2,393	125,435	466,887	213,936
<i>Percentages</i>								
Losses incurred to premiums earned	47.15	56.03	—	13.39	41.31	39.88	55.00	56.03
Underwriting expenses incurred to premiums earned	41.53	51.29	—	58.57	27.90	34.73	51.80	51.06
Investment expenses incurred to interest and rents earned	22.15	15.37	.96	3.80	39.76	18.92	13.70	14.00
Losses, expenses and dividends to income earned	98.25	94.02	30.44	80.80	94.70	97.26	96.58	92.08

* Minus sign indicates loss in surplus.

TABLE 11.—*Showing Sources of Gain or Loss* in Surplus during 1945—Continued*

	National Grange	National Liberty	National Reserve	National Retailers	National Security	Union National	Netherlands (U. S. Branch)	Newark
<i>From Underwriting</i>								
Premiums earned	\$217,070	\$7,921,285	\$1,326,639	\$3,654,008	\$816,086	\$11,590,155	\$865,813	\$4,433,946
Profit and loss	-327	79,099	-629	6,453	-23,745	-93,877	8,504	-12,732
Total underwriting income earned	216,743	8,000,384	1,326,010	3,660,461	792,341	11,496,278	874,317	4,421,214
Losses incurred	79,494	4,321,746	678,098	1,536,090	411,164	6,464,262	553,789	2,357,907
Expenses incurred	59,285	3,934,633	773,837	1,450,737	358,708	5,507,929	580,826	2,113,785
Total losses and expenses	137,779	8,256,379	1,451,935	2,986,827	769,872	11,973,191	1,134,615	4,471,692
UNDERWRITING GAIN OR LOSS	\$84,964	-255,995	-125,925	675,634	22,469	-475,913	-260,298	-80,478
<i>From Investments</i>								
Interest and rents earned	\$15,587	\$809,935	\$67,549	\$92,475	\$88,242	\$665,028	\$44,018	\$369,252
Profit on investments	8,564	2,179,384	310,761	116,455	225,249	1,546,274	133,161	660,208
Total investment income earned	24,151	2,989,319	378,310	208,930	313,491	2,210,302	177,179	1,029,460
Loss on investments	-	11,739	8,036	46	18,243	373,154	12,885	47,252
Expenses incurred	915	30,664	5,253	19,596	7,157	79,978	5,573	13,222
Total losses and expenses	915	42,403	13,289	19,642	25,400	453,132	18,458	60,474
INVESTMENT GAIN OR LOSS	23,236	2,946,916	365,021	189,288	288,091	1,757,170	158,721	968,986
<i>From Miscellaneous Sources</i>								
Stockholders' dividends declared	\$21,250	\$600,000	-	-	\$50,000	\$275,000	-	\$350,000
Policyholders' dividends declared	46,375	-	-	\$579,769	-	-	\$100,000	-
Receipts from home office	-	-	-	-	-	-	-2,546	-
Remittances to home office	-	-	-	-	-	-	-	-
Special reserves	-957	-1,000,000	-	-	-	-281,458	-	-
Other gain or loss	-20,943	-146,522	-\$82,203	-49,305	-57,308	-449,002	-14,965	-101,387
MISCELLANEOUS GAIN OR LOSS	-89,525	-1,746,522	-82,203	-629,074	-107,308	-1,005,460	82,489	-451,387
GAIN OR LOSS IN SURPLUS	18,675	944,399	156,893	233,848	203,252	275,797	-19,088	467,121
<i>Percentages</i>								
Losses incurred to premiums earned	36.62	54.55	51.11	42.04	50.38	55.77	63.96	53.18
Underwriting expenses incurred to premiums earned	24.09	49.67	58.33	39.70	43.95	47.53	67.08	47.67
Investment expenses incurred to interest and rents earned	5.87	3.79	7.78	21.19	8.11	12.22	12.66	3.58
Losses, expenses and dividends to income earned	83.16	80.97	85.97	92.68	84.04	92.66	109.66	89.57

* Minus sign indicates loss in surplus.

TABLE 11.—*Showing Sources of Gain or Loss* in Surplus during 1945—Continued*

	New Brunswick	Newburyport Mutual	New England	New Hampshire	New York Fire	New York Underwriters	Niagara	Norfolk and Dedham Mutual
<i>From Underwriting</i>								
Premiums earned	\$2,160,719	\$3,748	\$597,168	\$6,392,584	\$3,606,111	\$2,178,999	\$7,270,605	\$711,443
Profit and loss	6,582	—	621	—9,860	360	2,116	1,888	787
Total underwriting income earned	2,167,301	3,748	597,789	6,382,724	3,606,471	2,181,115	7,272,493	712,230
Losses incurred	1,204,542	1,116	345,508	3,781,875	2,108,081	1,316,167	3,936,187	300,978
Expenses incurred	1,094,077	2,103	274,990	3,401,050	2,416,363	1,048,280	3,003,409	336,366
Total losses and expenses	2,298,619	3,213	620,498	7,183,525	4,524,444	2,364,447	7,941,596	637,344
UNDERWRITING GAIN OR LOSS	—131,318	535	—22,709	—806,801	—917,973	—183,332	—269,103	74,886
<i>From Investments</i>								
Interest and rents earned	\$204,593	\$2,607	\$91,256	\$716,986	\$308,351	\$304,066	\$1,286,701	\$88,074
Profit on investments	526,481	7,469	209,330	873,355	1,545,216	407,295	5,632,120	108,878
Total investment income earned	731,074	10,076	300,586	1,590,341	1,853,567	711,361	6,918,821	176,952
Loss on investments	4,478	32	20,224	26,055	109,917	3,469	55,777	20,176
Expenses incurred	15,157	163	4,441	32,689	21,218	16,741	41,017	18,954
Total losses and expenses	19,635	195	24,665	58,744	131,135	20,210	96,794	39,130
INVESTMENT GAIN OR LOSS	711,439	9,881	275,921	1,531,597	1,722,432	691,151	6,822,027	137,822
<i>From Miscellaneous Sources</i>								
Stockholders' dividends declared	\$150,000	—	\$50,000	\$570,000	\$160,000	\$100,000	\$900,000	—
Policyholders' dividends declared	—	\$3,644	—	—	—	—	—	\$133,166
Receipts from home office	—	—	—	—	—	—	—	—
Remittances to home office	—	—	—	—	—	—	—	—
Special reserves	—	—	—	—	—	—	—	—
Other gain or loss	—27,887	—	—12,167	54,543	—98,081	—400,000	162,026	—
MISCELLANEOUS GAIN OR LOSS	—177,887	—3,644	—62,167	—515,453	—258,081	—21,463	—264,338	—45
GAIN OR LOSS IN SURPLUS	402,234	6,772	191,045	209,339	546,378	—521,463	—1,002,312	—133,211
							5,350,612	79,497
<i>Percentages</i>								
Losses incurred to premiums earned	55.75	29.62	57.86	59.25	58.46	60.40	54.14	42.31
Underwriting expenses incurred to premiums earned	50.64	56.11	46.05	53.22	67.01	48.11	49.59	47.28
Investment expenses incurred to interest and rents earned	7.41	6.24	4.87	4.56	6.89	5.51	3.19	27.84
Losses, expenses and dividends to income earned	85.16	51.02	77.38	98.06	88.21	85.90	60.17	91.05

* Minus sign indicates loss in surplus.

TABLE 11.—*Showing Sources of Gain or Loss* in Surplus during 1945—Continued*

	North American Fire and Marine	North British Marine (U. S. Branch)	Northern Assurance (U. S. Branch)	Northern (N. Y.)	North River	Northwestern Fire and Marine	Northwestern Mutual	Northwestern National
<i>From Underwriting</i>								
Premiums earned	\$58,498	\$8,297,606	\$5,642,649	\$5,719,564	\$8,776,038	\$832,656	\$8,902,698	\$5,406,909
Profit and loss	-	-29,130	-7,401	58,266	2,200	24,983	28,481	4,865
Total underwriting income earned	58,498	8,268,476	5,635,248	5,777,830	8,778,238	857,639	8,931,179	5,411,774
Losses incurred	37,313	4,499,405	3,092,337	2,997,480	4,564,519	462,566	3,530,103	2,569,393
Expenses incurred	28,681	4,312,917	2,963,588	2,981,197	4,017,369	395,078	3,880,838	3,004,620
Total losses and expenses	66,994	8,812,322	6,056,925	5,978,677	8,581,888	887,644	7,410,941	5,574,013
UNDERWRITING GAIN OR LOSS	-7,496	-543,846	-420,677	-200,847	196,350	-30,005	1,520,238	-162,239
<i>From Investments</i>								
Interest and rents earned	\$48,054	\$488,071	\$333,705	\$402,046	\$965,224	\$109,269	\$313,906	\$762,463
Profit on investments	42,188	689,085	539,501	1,508,394	3,382,328	237,348	449,129	1,790,063
Total investment income earned	90,242	1,177,156	873,206	1,910,640	4,347,552	346,617	763,035	2,552,526
Loss on investments	45,711	13,008	16,180	225,998	228,222	24,702	29,738	53,265
Expenses incurred	3,394	21,923	112,271	14,749	37,866	18,329	16,340	53,869
Total losses and expenses	49,105	34,931	128,451	240,747	266,088	43,231	46,098	107,134
INVESTMENT GAIN OR LOSS	41,137	1,142,225	744,755	1,669,893	4,081,464	303,386	716,937	2,445,392
<i>From Miscellaneous Sources</i>								
Stockholders' dividends declared	-	-	-	\$320,000	\$800,000	\$100,000	\$1,733,392	\$400,000
Policyholders' dividends declared	-	-	-	-	-	-	-	-
Receipts from home office	-	\$99,995	\$5,303	-	-	-	-	-
Remittances to home office	-	-562,632	-132,148	-	-	-	-	-
Special reserves	-	-	-	50,000	-	-75,000	-	-
Other gain or loss	-\$1,892	758,369	768	19,400	-159,936	-90	-295,239	-156,963
MISCELLANEOUS GAIN OR LOSS	-1,892	295,732	-126,077	-250,600	-959,936	-175,090	-2,028,631	-556,963
GAIN OR LOSS IN SURPLUS	31,749	894,111	198,001	1,218,446	3,317,878	98,291	208,544	1,726,190
<i>Percentages</i>								
Losses incurred to premiums earned	63.78	54.23	54.80	52.41	52.01	59.16	39.65	47.44
Underwriting expenses incurred to premiums earned	49.03	51.98	52.52	52.12	45.88	47.45	43.60	55.47
Investment expenses incurred to interest and rents earned	7.06	4.49	33.64	3.67	3.92	16.96	5.21	7.07
Losses, expenses and dividends to income earned	77.38	93.67	95.02	85.05	73.50	85.60	94.80	76.36

* Minus sign indicates loss in surplus.

TABLE 11.—*Showing Sources of Gain or Loss* in Surplus during 1945—Continued*

	Norwich Union (U. S. Branch)	Ocean Marine (U. S. Branch)	Ohio Farmers	Ohio Mutual	Old Colony	Orient	Pacific Coast (U. S. Branch)	Pacific Fire
<i>From Underwriting</i>								
Premiums earned	\$4,116,795	\$538,033	\$3,661,479	\$81,780	\$2,168,351	\$2,322,181	\$510,025	\$3,914,758
Profit and loss	13,493	148	729	53	—514	—14,045	—1,748	218
Total underwriting income earned	4,130,288	537,885	3,660,750	81,833	2,167,837	2,308,136	508,277	3,914,976
Losses incurred	2,235,688	248,596	1,806,611	34,496	1,026,058	1,310,507	255,501	2,314,882
Expenses incurred	2,049,399	100,696	2,090,147	48,010	1,049,543	1,220,547	222,005	2,035,954
Total losses and expenses	4,284,487	356,292	3,896,758	82,506	2,075,601	2,531,054	478,106	4,370,836
UNDERWRITING GAIN OR LOSS	—164,199	182,593	—196,008	—673	92,236	—222,918	30,171	—455,860
<i>From Investments</i>								
Interest and rents earned	\$224,796	\$34,590	\$216,668	\$15,254	\$409,905	\$163,236	\$52,645	\$254,547
Profit on investments	83,586	—	876,922	6,826	1,095,307	250,840	39,292	760,005
Total investment income earned	308,382	34,590	1,093,590	22,080	1,505,212	414,076	91,937	1,014,552
Loss on investments	2,504	2,456	7,174	—	30,003	11,573	1,115	23,995
Expenses incurred	21,635	2,515	81,559	1,917	12,966	63,377	2,945	11,204
Total losses and expenses	24,139	4,971	88,733	1,917	42,969	74,950	4,060	35,199
INVESTMENT GAIN OR LOSS	284,243	29,619	1,004,857	20,163	1,462,243	339,126	87,877	979,353
<i>From Miscellaneous Sources</i>								
Stockholders' dividends declared	—	—	—	—	\$350,000	\$100,000	—	\$200,000
Policyholders' dividends declared	—	—	—	\$12,456	—	—	—	—
Receipts from home office	\$16,110	—	—	—	—	—	—	—
Remittances to home office	—223,425	—\$83,552	—	—	—	—	—\$58,171	—
Special reserves	—	—	—	—	—	—	—	—
Other gain or loss	7,257	—72,872	56,255	735	1,386	—22,818	—23,626	40,539
MISCELLANEOUS GAIN OR LOSS	—200,036	—156,424	—243,745	—11,721	—348,614	—122,818	—81,797	—159,461
GAIN OR LOSS IN SURPLUS	—80,014	53,788	565,104	7,769	1,205,865	—6,610	36,251	364,032
<i>Percentages</i>								
Losses incurred to premiums earned	54.53	46.20	49.34	42.18	47.32	56.43	50.10	59.13
Underwriting expenses incurred to premiums earned	49.78	20.10	55.99	58.71	48.40	52.56	43.65	52.52
Investment expenses incurred to interest and rents earned	—	—	—	—	—	—	—	—
Losses, expenses and dividends to income earned	9.62	7.27	37.64	12.57	3.16	38.83	5.59	4.40
	97.30	62.93	82.99	93.23	67.21	99.40	80.33	93.44

* Minus sign indicates loss in surplus.

TABLE 11.—Showing Sources of Gain or Loss* in Surplus during 1945—Continued

	Pacific National	Palatine (U. S. Branch)	Patriotic	Paul Revere	Pawtucket Mutual	Pennsylvania Lumbermens Mutual	Pennsylvania Millers Mutual
<i>From Underwriting</i>							
Premiums earned	\$5,095,587	\$1,013,850	\$1,162,004	\$1,322,281	\$1,227,778	\$2,229,859	\$1,350,709
Profit and loss	-4,915	3,410	-27,916	4,510	-304	14,326	46
Total underwriting income earned	5,090,672	1,017,260	1,134,088	1,326,791	1,227,474	2,244,185	1,350,755
Losses Incurred	3,085,065	548,711	710,927	714,176	443,688	1,038,075	559,768
Expenses incurred	2,991,095	547,067	717,363	646,024	514,432	802,420	542,157
Total losses and expenses	6,076,160	1,095,778	1,428,290	1,360,200	958,120	1,860,495	1,101,925
UNDERWRITING GAIN OR LOSS	-985,488	-78,518	-294,202	-33,409	269,354	383,690	248,830
<i>From Investments</i>							
Interest and rents earned	\$392,393	\$128,008	\$119,830	\$154,341	\$80,750	\$99,852	\$144,696
Profit on investments	1,106,287	191,437	199,352	474,642	142,014	110,815	103,312
Total investment income earned	1,498,680	319,445	319,182	628,983	222,764	210,667	248,008
Loss on investments	7,529	14,023	14,154	1,104	6,541	29,819	4,959
Expenses incurred	33,474	6,449	8,906	5,852	9,246	10,880	12,561
Total losses and expenses	41,003	20,472	23,060	6,956	15,787	40,699	17,520
INVESTMENT GAIN OR LOSS	1,457,677	298,973	296,122	622,027	206,977	169,968	230,488
<i>From Miscellaneous Sources</i>							
Stockholders' dividends declared	-	-	-	\$120,000	-	\$507,721	-
Policyholders' dividends declared	-	-	-	-	-	-	-
Receipts from home office	-	\$2,056	-	-	-	-	-
Remittances to home office	-	-138,161	-	-	-	-	-
Special reserves	-1,004,267	-	-	-	-100,000	-100,561	-37,000
Other gain or loss	90,926	36,630	-4,042	-34,769	-82,352	-22,901	-31,146
MISCELLANEOUS GAIN OR LOSS	-913,341	-99,475	-4,042	-154,769	-420,492	-631,183	-352,688
GAIN OR LOSS IN SURPLUS	-441,152	120,980	-2,122	433,849	55,839	-77,525	126,630
<i>Percentages</i>							
Losses incurred to premiums earned	60.54	54.12	61.18	54.01	36.14	47.45	41.44
Underwriting expenses incurred to premiums earned	58.70	53.96	61.73	48.85	41.90	35.99	40.14
Investment expenses incurred to interest and rents earned	8.53	5.04	7.43	3.79	11.45	10.90	8.68
Losses, expenses and dividends to income earned	92.83	95.72	99.86	76.04	83.58	98.13	87.82

* Minus sign indicates loss in surplus.

TABLE 11.—Showing Sources of Gain or Loss* in Surplus during 1945—Continued

	Phenix Mutual	Philadelphia Fire and Marine	Philadelphia Manufacturers Mutual	Philadelphia National	Phoenix Assurance (U. S. Branch)	Phoenix (Conn.)	Piedmont	Pioneer Mutual
<i>From Underwriting</i>								
Premiums earned	\$150,295	\$2,225,874	\$1,285,795	\$663,789	\$4,719,520	\$13,034,487	\$2,311,641	\$73,001
Profit and loss	35	26,288		-2,414	-42,146	63,410	-2,533	773
Total underwriting income earned	150,330	2,252,162	1,285,795	661,375	4,677,374	13,097,897	2,309,108	73,774
Losses incurred	60,611	1,129,870	214,695	371,259	2,741,039	6,747,261	1,235,795	40,309
Expenses incurred	61,502	1,048,177	145,871	340,606	2,322,357	6,383,222	1,065,981	38,049
Total losses and expenses	122,113	2,178,047	360,476	711,865	5,063,396	13,130,483	2,301,776	78,358
UNDERWRITING GAIN OR LOSS	28,217	74,115	925,319	-50,490	-386,022	-32,586	7,332	-4,584
<i>From Investments</i>								
Interest and rents earned	\$9,522	\$252,625	\$97,750	\$100,852	\$239,846	\$2,170,898	\$120,608	\$832
Profit on investments	33,914	880,556	187,256	291,824	256,933	6,013,069	32,981	558
Total investment income earned	43,436	1,133,181	285,006	392,676	496,779	8,183,967	153,589	1,390
Loss on investments	8,795	-	19,819	12,450	326	166,870	5,863	-
Expenses incurred	9,817	10,628	4,753	6,027	43,226	125,841	25,194	-
Total losses and expenses	9,812	10,628	24,572	18,477	43,552	292,711	31,057	-
INVESTMENT GAIN OR LOSS	33,824	1,122,553	260,434	374,199	453,227	7,891,256	122,532	1,390
<i>From Miscellaneous Sources</i>								
Stockholders' dividends declared	\$8,093	\$200,000	-	\$70,000	-	\$1,800,000	\$25,000	-
Policyholders' dividends declared	36,493	-	\$896,097	-	-	-	-	-
Receipts from home office	-	-	-	-	-	-	-	-
Remittances to home office	-	-	-	-	-	-	-	-
Special reserves	-	-	-	-	-	-	-	-
Other gain or loss	-2,510	-22,633	-133,231	1,575	-48,307	5,000,000	-51,533	\$8,585
MISCELLANEOUS GAIN OR LOSS	-47,096	-222,633	-1,029,328	-68,425	-54,779	6,320,407	-76,533	8,585
GAIN OR LOSS IN SURPLUS	14,945	974,035	156,425	255,284	12,426	1,538,263	53,331	5,391
<i>Percentages</i>								
Losses incurred to premiums earned	40.33	50.76	16.69	55.93	58.08	51.76	53.46	55.22
Underwriting expenses incurred to premiums earned	40.93	47.10	11.34	51.31	49.21	48.97	46.12	52.12
Investment expenses incurred to interest and rents earned	8.58	4.21	4.86	5.98	18.02	5.80	20.89	-
Losses, expenses and dividends to income earned	90.99	70.56	81.56	75.93	98.70	71.53	95.74	104.25

* Minus sign indicates loss in surplus.

TABLE 11.—*Showing Sources of Gain or Loss* in Surplus during 1945—Continued*

	Potomac	Protection Mutual	Providence Mutual	Providence Washington	Providence	Quaker City	Queen Mutual	Quincy Mutual
<i>From Underwriting</i>								
Premiums earned	\$3,592,532	\$1,600,341	\$170,578	\$9,197,612	\$1,442,432	\$811,395	\$11,350,518	\$1,553,500
Profit and loss	—6,882	78,912	—197	—4,854	1,124	—7,380	2,413	1,055
Total underwriting income earned	3,585,650	1,679,253	170,381	9,192,758	1,443,556	804,015	11,352,931	1,554,555
Losses incurred	2,032,918	207,851	72,510	4,901,222	880,855	436,164	6,069,993	657,558
Expenses incurred	2,097,914	283,358	86,294	4,230,330	688,035	410,811	5,485,945	645,526
Total losses and expenses	4,130,832	496,209	158,804	9,131,552	1,568,890	846,975	11,555,938	1,303,084
UNDERWRITING GAIN OR LOSS	—545,182	1,183,044	11,577	61,206	—125,334	—42,960	—203,007	251,471
<i>From Investments</i>								
Interest and rents earned	\$179,837	\$102,122	\$68,825	\$582,461	\$88,128	\$61,934	\$893,838	\$155,757
Profit on investments	177,953	268,979	116,164	1,861,931	168,154	174,583	1,438,698	627,644
Total investment income earned	357,790	371,101	184,989	2,444,392	256,282	236,517	2,332,536	783,401
Loss on investments	3,423	6,025	4,488	46,627	3,383	18,673	176,322	57,818
Expenses incurred	11,153	9,542	12,919	41,276	7,800	6,748	33,813	92,831
Total losses and expenses	14,576	15,567	17,407	87,903	7,833	25,421	210,235	80,649
INVESTMENT GAIN OR LOSS	343,214	355,534	167,582	2,356,489	248,599	211,096	2,052,301	702,752
<i>From Miscellaneous Sources</i>								
Stockholders' dividends declared	—	—	—	\$420,000	—	\$40,000	\$800,000	—
Policyholders' dividends declared	—	\$1,110,784	\$47,167	—	—	—	—	\$321,015
Receipts from home office	—	—	—	—	—	—	—	—
Remittances to home office	—	—	—	—	—	—	—	—
Special reserves	—	—	—	—	—	—	—	—
Other gains and losses	\$5,988	—28,368	—12,222	—113,919	\$66,619	—16,854	—106,045	—54,985
MISCELLANEOUS GAIN OR LOSS	5,988	—1,139,152	—59,389	—533,919	66,619	—56,854	—906,045	—376,000
GAIN OR LOSS IN SURPLUS	—195,980	399,426	119,770	1,883,776	189,884	111,282	943,249	578,223
<i>Percentages</i>								
Losses incurred to premiums earned	56.59	12.99	42.51	53.29	61.07	53.75	53.48	42.33
Underwriting expenses incurred to premiums earned	58.40	18.02	50.59	46.00	47.60	50.63	48.33	41.55
Investment expenses incurred to interest and rents earned	6.20	9.34	18.77	7.09	4.88	10.89	4.12	14.66
Losses, expenses and dividends to income earned	110.09	79.14	62.86	82.83	92.75	87.60	92.29	72.92

* Minus sign indicates loss in surplus.

TABLE 11.—*Showing Sources of Gain or Loss* in Surplus during 1945—Continued*

	Reliance	Richmond	Rochester American (U. S. Branch)	Royal (U. S. Branch)	Royal Exchange (U. S. Branch)	Safeguard	Salem Mutual	Scottish Union and National (U. S. Branch)
<i>From Underwriting</i>								
Premiums earned	\$1,063,942	\$1,180,326	\$1,342,892	\$11,730,200	\$3,772,343	\$957,414	\$97,662	\$3,819,474
Profit and loss	—512	776	—456	—22,139	—3,927	—37,275	—16	9,800
Total underwriting income earned	1,063,430	1,181,102	1,342,436	11,708,061	3,768,416	920,139	97,646	3,829,274
Losses incurred	585,152	592,080	728,091	6,194,097	2,033,776	541,798	51,074	2,235,842
Expenses incurred	545,798	734,151	640,548	5,700,750	1,773,092	550,142	36,556	2,037,086
Total losses and expenses	1,130,950	1,326,231	1,368,639	11,894,847	3,806,868	1,091,940	87,630	4,272,908
UNDERWRITING GAIN OR LOSS	—67,520	—145,129	—26,203	—186,786	—38,452	—171,801	10,016	—433,634
<i>From Investments</i>								
Interest and rents earned	\$153,654	\$207,677	\$196,230	\$741,064	\$171,359	\$109,081	\$4,147	\$270,486
Profit on investments	537,520	752,970	531,624	1,006,964	412,100	289,983	4,668	172,102
Total investment income earned	691,174	960,647	727,854	1,748,028	583,459	399,064	8,815	442,648
Loss on investments	19,308	77,839	5,179	47,141	552	552	—	31,744
Expenses incurred	16,178	14,239	7,635	89,450	8,090	4,849	265	37,339
Total losses and expenses	35,486	92,078	12,814	174,829	55,231	5,401	265	69,083
INVESTMENT GAIN OR LOSS	655,688	868,569	715,030	1,573,199	528,228	393,663	8,550	373,565
<i>From Miscellaneous Sources</i>								
Stockholders' dividends declared	\$100,000	\$150,000	\$120,000	—	—	\$100,000	—	—
Policyholders' dividends declared	—	—	—	—	—	—	\$21,397	—
Receipts from home office	—	—	—	\$78,878	\$8,379	—	—	\$3,964
Remittances to home office	—	—	—	—	—	—	—	—
Special reserves	—	—	—	—	—	—	—	—
Other gain or loss	—12,793	61,533	—23,949	3,305,332	59,807	6,876	—	559,211
MISCELLANEOUS GAIN OR LOSS	—112,793	—88,467	—143,949	3,047,272	—114,569	—93,124	—21,598	285,294
GAIN OR LOSS IN SURPLUS	475,375	634,973	544,878	4,433,685	375,207	128,738	—3,032	225,225
<i>Percentages</i>								
Losses incurred to premiums earned	55.00	50.16	54.22	52.81	53.91	56.59	52.30	58.28
Underwriting expenses incurred to premiums earned	51.80	62.21	47.70	48.80	46.21	57.46	37.43	53.34
Investment expenses incurred to interest and rents earned	10.53	6.86	3.89	12.07	4.72	4.45	6.38	13.80
Losses, expenses and dividends to income earned	72.18	73.23	72.52	89.69	88.75	90.76	102.66	101.41

* Minus sign indicates loss in surplus.

TABLE 11.—*Showing Sources of Gain or Loss* in Surplus during 1945—Continued*

	Sea (U. S. Branch)	Seaboard Fire and Marine	Seaboard (M.d.)	Security	Sentinel	Springfield Fire and Marine	Standard (Conn.)	Standard (N. J.)
<i>From Underwriting</i>								
Premiums earned	\$2,595,901	\$1,336,558	\$545,348	\$6,967,714	\$595,887	\$20,307,340	\$2,974,384	\$1,132,199
Profit and loss	-21,584	4,791	5,046	-1,293	620	10,983	2,677	-3,556
Total underwriting income earned	2,574,317	1,341,349	550,394	6,966,421	596,507	20,318,323	2,977,061	1,128,843
Losses Incurred	1,209,233	797,874	289,607	3,793,506	344,843	11,748,990	1,413,525	640,614
Expenses incurred	841,045	687,895	255,709	3,404,362	286,527	9,738,503	1,577,434	593,912
Total losses and expenses	2,050,278	1,485,769	545,316	7,197,868	631,370	21,487,493	2,990,959	1,234,526
UNDERWRITING GAIN OR LOSS	524,039	-124,420	5,078	-231,447	-34,863	-1,165,170	-13,898	-105,683
<i>From Investments</i>								
Interest and rents earned	\$158,456	\$76,954	\$46,912	\$509,869	\$95,626	\$1,229,773	\$216,202	\$116,071
Profit on investments	117,849	341,595	28,751	1,164,971	225,342	3,113,612	392,506	252,759
Total investment income earned	276,305	418,549	75,663	1,674,840	320,968	4,343,385	608,708	368,830
Loss on investments	5,748	82,622	3,469	85,886	8,462	189,089	12,229	29,377
Expenses incurred	10,556	6,167	5,173	82,576	4,197	73,595	16,896	10,949
Total losses and expenses	16,304	88,789	8,642	168,462	12,659	262,684	29,125	40,526
INVESTMENT GAIN OR LOSS	260,001	329,760	67,021	1,506,378	308,309	4,080,701	579,583	328,304
<i>From Miscellaneous Sources</i>								
Stockholders' dividends declared	-	-	\$18,000	\$350,000	\$75,000	\$950,000	\$150,000	\$96,000
Policyholders' dividends declared	-	-	-	-	-	-	-	-
Receipts from home office	\$313	-	-	-	-	-	-	-
Remittances to home office	-256,073	-	-	-	-	-	-	-
Special reserves	-	-	-	60,939	-	-	-	-
Other gain or loss	-213,572	\$94,745	-6,393	11,374	361	-38,565	26,203	-21,957
MISCELLANEOUS GAIN OR LOSS	-469,332	94,745	-24,393	-277,687	-74,639	-988,565	-544,160	-115,763
GAIN OR LOSS IN SURPLUS	314,798	300,085	47,706	997,244	198,807	1,926,966	21,525	106,858
<i>Percentages</i>								
Losses incurred to premiums earned	46.58	59.70	53.10	54.44	57.87	57.85	47.52	56.58
Underwriting expenses incurred to premiums earned	32.40	49.97	46.89	48.86	48.08	47.94	53.03	52.46
Investment expenses incurred to interest and rents earned	6.66	8.01	11.03	16.20	4.39	5.98	7.82	9.43
Losses, expenses and dividends to income earned	72.50	88.33	91.36	89.30	78.37	92.03	88.41	91.55

* Minus sign indicates loss in surplus.

TABLE 11.—Showing Sources of Gain or Loss* in Surplus during 1945—Continued

	Standard (N. Y.)	Standard Marine (U. S. Branch)	St. Paul Fire and Marine	Star	State Assurance (U. S. Branch)	Sun (U. S. Branch)	Sun Underwriters (U. S. Branch)	"Switzerland" General (U. S. Branch)
<i>From Underwriting</i>								
Premiums earned	\$4,371,311	\$2,421,237	\$20,339,081	\$3,256,179	\$685,754	\$5,163,673	\$798,286	\$1,273,691
Profit and loss	2,225	—8,293	—14,249	—8,135	—176	—9,741	8,257	69
Total underwriting income earned	4,373,536	2,412,944	20,324,832	3,248,044	685,578	5,153,932	790,029	1,273,760
Losses incurred	2,408,239	1,133,469	10,707,334	1,732,190	387,258	2,662,003	454,353	654,428
Expenses incurred	2,126,337	834,269	8,721,253	1,564,632	385,430	2,326,314	450,809	576,774
Total losses and expenses	4,534,576	1,967,738	19,428,587	3,296,822	772,708	4,988,317	905,162	1,231,202
UNDERWRITING GAIN OR LOSS	—161,040	445,206	896,245	—48,778	—87,130	165,615	—115,133	42,558
<i>From Investments</i>								
Interest and rents earned	\$221,430	\$157,357	\$2,510,679	\$210,753	\$48,146	\$208,450	\$60,909	\$59,943
Profit on investments	50,326	114,124	2,572,777	331,749	117,578	410,608	97,981	32,351
Total investment income earned	271,756	271,481	5,083,456	542,502	165,724	619,058	158,890	92,294
Loss on investments	219	5,305	120,575	22,599	15,183	2,906	6,415	750
Expenses incurred	10,337	7,129	139,890	14,674	1,984	18,895	4,904	3,368
Total losses and expenses	10,556	12,434	260,465	37,273	17,167	21,801	11,319	4,118
INVESTMENT GAIN OR LOSS	261,200	259,047	4,822,991	505,229	148,557	597,257	147,571	88,176
<i>From Miscellaneous Sources</i>								
Stockholders' dividends declared	\$90,000	—	\$1,600,000	\$175,000	—	—	—	—
Policyholders' dividends declared	—	—	—	—	—	—	—	—
Receipts from home office	—	\$174,679	—	—	\$1,252	\$6,053	—	\$8,485
Remittances to home office	—	—266,433	—	—	—1,110	—266,319	—	—64,142
Special reserves	—	—37,295	—942,133	11,540	—1,051	—179,652	\$1,189	—6,829
Other gain or loss	87,763	—129,049	2,542,133	—163,460	—909	—429,918	1,189	—62,486
MISCELLANEOUS GAIN OR LOSS	—2,237	575,204	3,177,103	292,991	60,518	332,954	33,627	68,248
GAIN OR LOSS IN SURPLUS	97,923							
<i>Percentages</i>								
Losses incurred to premiums earned	55.09	46.81	52.64	53.20	56.47	51.55	56.92	51.38
Underwriting expenses incurred to premiums earned	48.64	34.46	42.88	48.06	56.21	45.05	56.47	45.28
Investment expenses incurred to interest and rents earned	4.67	4.53	5.57	6.96	4.12	9.06	8.05	5.62
Losses, expenses and dividends to income earned	99.78	73.77	83.78	92.57	92.78	86.79	96.58	90.43

* Minus sign indicates loss in surplus

TABLE 11.—*Showing Sources of Gain or Loss* in Surplus during 1945—Continued*

	Thames and Mersey (U. S. Branch)	Traders and Mechanics	Trans- continental	Travelers	Union Assurance (U. S. Branch)	Union of Canton (U. S. Branch)	Union Marine (U. S. Branch)	Union Mutual
<i>From Underwriting</i>								
Premiums earned	\$1,211,679	\$558,445	\$687,406	\$22,055,864	\$1,013,850	\$2,200,843	\$1,292,366	\$2,315,713
Profit and loss	3,753	1,397	1,554	18,813	2,852	2,456	12,633	542
Total underwriting income earned	1,215,432	559,842	688,960	22,074,677	1,016,702	2,203,299	1,279,733	2,316,255
Losses incurred	564,932	263,482	386,903	17,780,207	548,712	1,105,106	690,097	958,080
Expenses incurred	382,927	243,028	361,552	13,234,817	547,725	936,289	590,055	1,127,978
Total losses and expenses	947,860	506,510	748,455	25,015,018	1,096,437	2,101,395	1,280,152	2,086,058
UNDERWRITING GAIN OR LOSS	267,572	56,332	-59,495	-2,940,341	-79,735	101,904	-419	230,197
<i>From Investments</i>								
Interest and rents earned	\$88,665	\$43,481	\$111,272	\$794,182	\$86,314	\$117,586	\$91,936	\$44,497
Profit on investments	102,960	34,515	472,163	752,221	111,842	144,056	99,674	209,691
Total investment income earned	191,625	77,996	583,435	1,546,403	198,156	261,642	191,610	254,188
Loss on investments	12,202	300	51,944	-	2,323	1,810	6,717	13,827
Expenses incurred	8,237	14,867	5,350	58,590	5,031	8,112	13,656	3,510
Total losses and expenses	20,439	15,167	57,294	58,590	7,354	9,922	20,373	17,337
INVESTMENT GAIN OR LOSS	171,186	62,829	526,141	1,487,813	190,802	251,720	171,237	236,851
<i>From Miscellaneous Sources</i>								
Stockholders' dividends declared	-	-	-	\$120,000	-	-	-	-
Policyholders' dividends declared	-	\$107,889	-	-	-	\$582,977	-	\$334,446
Receipts from home office	\$39,600	-	-	-	\$1,070	-	-	-
Remittances to home office	-253,687	-	-	-	-88,341	-598,175	-	-
Special reserves	-	-	-	-	-	-	-	-
Other gain or loss	-27,266	-844	-	2,077,390	-8,371	46,469	-4,262	-6,526
MISCELLANEOUS GAIN OR LOSS	-241,353	-108,233	48,074	43,111	-95,642	31,271	-104,262	-340,972
GAIN OR LOSS IN SURPLUS	197,405	10,928	464,720	546,973	15,425	384,895	66,556	126,076
<i>Percentages</i>								
Losses incurred to premiums earned	46.62	46.64	56.28	53.41	54.12	50.21	53.40	41.37
Underwriting expenses incurred to premiums earned	31.60	43.51	52.59	60.01	54.02	45.27	45.66	48.71
Investment expenses incurred to interest and rents earned	9.29	34.19	4.81	7.38	5.83	6.90	14.85	7.90
Losses, expenses and dividends to income earned	74.40	98.23	63.33	106.66	90.86	85.65	88.39	94.84

* Minus sign indicates loss in surplus.

TABLE 11.—*Showing Sources of Gain or Loss* in Surplus during 1945—Continued*

	United Firemen's	United Mutual	United States Fire	Universal	Utica	Vermont Mutual	Vigilant	Virginia Fire and Marine
<i>From Underwriting</i>								
Premiums earned	\$1,370,937	\$7,060,531	\$14,180,719	\$1,483,802	\$256,919	\$616,375	\$1,325,773	\$1,127,597
Profit and loss	-22,700	-14,587	51,214	-7,796	-697	-1,231	-2,941	-236
Total underwriting income earned	1,348,237	7,045,944	14,231,933	1,476,006	256,222	615,144	1,322,832	1,127,361
Losses incurred	816,545	3,251,942	7,521,666	899,660	114,544	259,120	672,206	685,298
Expenses incurred	866,457	2,177,712	6,883,418	580,335	120,784	285,621	423,076	699,955
Total losses and expenses	1,683,002	5,429,654	14,405,084	1,479,995	235,328	544,741	1,095,282	1,385,253
UNDERWRITING GAIN OR LOSS	-334,765	1,616,290	-173,151	-3,989	20,894	70,403	227,550	-257,892
<i>From Investments</i>								
Interest and rents earned	\$152,765	\$268,752	\$1,376,886	\$93,696	\$12,469	\$34,993	\$80,689	\$89,667
Profit on investments	210,780	332,861	4,251,971	272,681	11,981	2,314	25,672	152,239
Total investment income earned	363,545	601,613	5,628,857	366,357	24,450	37,307	106,361	241,906
Loss on investments	21,056	59,326	172,252	13,109	5,137	722	28,580	700
Expenses incurred	14,136	14,620	53,262	4,142	2,912	4,337	5,497	8,122
Total losses and expenses	35,192	73,946	225,514	17,251	8,049	5,059	34,013	8,822
INVESTMENT GAIN OR LOSS	328,353	527,667	5,403,343	349,106	16,401	32,248	72,348	233,084
<i>From Miscellaneous Sources</i>								
Stockholders' dividends declared	\$100,000	-	\$1,000,000	\$50,000	-	-	-	\$40,000
Policyholders' dividends declared	-	\$1,908,093	-	-	\$20	\$101,236	-	-
Receipts from home office	-	-	-	-	-	-	-	-
Remittances to home office	-	-	-	-	-	-	-	-
Special reserves	-	-75,358	-	-	-21,250	-	-	-
Other gain or loss	25,496	-77,523	-265,406	-39,269	5,963	-18,571	-163,231	34,425
MISCELLANEOUS GAIN OR LOSS	-74,504	-2,060,974	-1,245,406	-89,269	-15,307	-119,807	-163,231	-5,575
GAIN OR LOSS IN SURPLUS	-80,916	82,983	3,964,786	255,848	21,988	-17,156	136,667	-30,383
<i>Percentages</i>								
Losses incurred to premiums earned	59.56	46.06	53.04	60.63	44.58	42.04	50.70	60.78
Underwriting expenses incurred to premiums earned	63.20	30.84	48.54	39.11	47.01	46.34	31.92	62.07
Investment expenses incurred to interest and rents earned	9.25	5.44	3.87	4.42	23.36	12.39	6.73	9.06
Losses, expenses and dividends to income earned	103.47	96.92	78.70	83.98	86.72	99.78	79.02	104.73

* Minus sign indicates loss in surplus.

TABLE 11.—*Showing Sources of Gain or Loss* in Surplus during 1945—Continued*

	Washington Assurance	Westchester	Western Assurance (U. S. Branch)	Western National	What Cheer Mutual	Worcester Manufacturers' Mutual	Worcester Mutual	World Fire and Marine
<i>From Underwriting</i>								
Premiums earned	\$260,430	\$9,259,836	\$1,790,568	\$2,203,047	\$1,700,377	\$1,152,454	\$863,860	\$2,818,707
Profit and loss	420	60,190	—1,379	14,589	1,756	50,363	1,435	22,801
Total underwriting income earned	260,010	9,320,026	1,789,189	2,217,636	1,702,133	1,202,817	865,295	2,841,508
Losses incurred	118,696	4,837,981	952,290	1,332,070	249,413	151,448	412,102	1,479,835
Expenses incurred	148,371	4,258,663	861,554	832,784	281,001	138,914	242,385	1,270,194
Total losses and expenses	267,067	9,096,644	1,813,844	2,164,854	530,414	290,362	654,487	2,750,029
UNDERWRITING GAIN OR LOSS	—7,057	229,382	—24,655	52,782	1,171,719	912,455	210,808	91,479
<i>From Investments</i>								
Interest and rents earned	\$83,517	\$761,033	\$121,865	\$180,442	\$125,912	\$77,052	\$146,740	\$200,462
Profit on investments	213,083	2,991,715	199,206	645,123	156,442	143,782	39,769	105,055
Total investment income earned	296,600	3,752,748	321,071	825,565	282,354	220,834	186,509	305,517
Loss on investments	—	216,258	29,305	5,269	17,117	2,803	8,253	11,585
Expenses incurred	3,515	28,865	7,168	8,705	5,671	5,575	17,665	13,133
Total losses and expenses	3,515	245,123	36,473	13,974	23,788	8,378	25,918	24,718
INVESTMENT GAIN OR LOSS	293,085	3,507,625	284,598	811,591	259,566	212,456	160,591	280,799
<i>From Miscellaneous Sources</i>								
Stockholders' dividends declared	—	\$640,000	—	\$120,000	—	\$821,123	—	\$100,000
Policyholders' dividends declared	—	—	—	—	\$1,136,915	—	\$244,614	—
Receipts from home office	—	—	—	—	—	—	—	—
Remittances to home office	—	—	—	—	—	—	—	—
Special reserves	—	—	—	—	—	—	—	—
Other gain or loss	—	—	—	—	—	—	—	—
MISCELLANEOUS GAIN OR LOSS	—	—	—	—	—	—	—	—
GAIN OR LOSS IN SURPLUS	269,503	2,910,720	143,269	—1,033,630	—1,167,538	—968,707	—242,203	—168,715
				—169,257	263,747	156,204	129,196	103,563
<i>Percentages</i>								
Losses incurred to premiums earned	45.58	52.25	53.18	60.46	14.67	13.14	47.70	52.50
Underwriting expenses incurred to premiums earned	56.97	45.99	48.12	37.80	16.53	12.05	28.06	45.06
Investment expenses incurred to interest and rents earned	4.21	3.79	5.88	4.82	4.50	7.24	12.04	6.55
Losses, expenses and dividends to income earned	48.61	76.32	87.68	75.54	84.66	78.66	87.95	91.35

* Minus sign indicates loss in surplus.

TABLE 11.—Showing Sources of Gain or Loss* in Surplus during 1945—Continued

	Yorshire (U. S. Branch)	Zurich
<i>From Underwriting</i>		
Premiums earned	\$1,986,443	\$840,098
Profit and loss	9,439	—13,662
Total underwriting income earned	1,995,882	826,436
Losses incurred	1,276,967	515,931
Expenses incurred	988,739	421,516
Total losses and expenses	2,265,706	937,447
UNDERWRITING GAIN OR LOSS	—269,824	—111,011
<i>From Investments</i>		
Interest and rents earned	\$86,203	\$60,306
Profit on investments	380,992	49,563
Total investment income earned	467,195	109,869
Loss on investments	45,685	7,021
Expenses incurred	10,045	3,727
Total losses and expenses	55,730	10,748
INVESTMENT GAIN OR LOSS	411,465	99,121
<i>From Miscellaneous Sources</i>		
Stockholders' dividends declared	—	—
Policyholders' dividends declared	—	—
Receipts from home office	—	—
Remittances to home office	—\$9,193	—
Special reserves	—	—
Other gain or loss	494,673	—
MISCELLANEOUS GAIN OR LOSS	485,480	—
GAIN OR LOSS IN SURPLUS	627,121	—\$11,890
<i>Percentages</i>		
Losses incurred to premiums earned	64.28	61.41
Underwriting expenses incurred to premiums earned	49.78	50.17
Investment expenses incurred to interest and rents earned	11.65	6.18
Losses, expenses and dividends to income earned	94.25	101.27

* Minus sign indicates loss in surplus.

TABLE 11.—Showing Sources of Gain or Loss* in Surplus during 1945—Concluded

RECAPITULATION	Massachusetts Mutual Companies Other than Manufacturers' (27 Companies)		Other State Mutual Companies (30 Companies)		Massachusetts Manufacturers' Mutuals (5 Companies)		Manufacturers' Mutuals of Other States (6 Companies)		Massachusetts Stock Companies (7 Companies)		Stock Companies of Other States (161 Companies)		United States Branches, Companies of Other Countries (38 Companies)		Totals (274 Companies)
From Underwriting															
Premiums earned	\$22,374,459	\$77,309,339	\$12,689,533	\$24,236,136	\$872,642,422	\$35,986,763	\$872,642,422	\$112,609,459	\$1,157,848,111						
Profit and loss	—22,740	355,045	49,242	76,657	957,447	56,748	957,447	—169,757	1,302,642						
Total underwriting income earned	22,351,719	77,664,384	12,738,775	24,312,793	873,599,869	36,043,511	873,599,869	112,439,702	1,159,150,753						
Losses incurred	10,126,301	33,388,476	1,660,971	3,356,524	20,035,526	475,124,675	59,669,161	59,669,161	603,361,634						
Expenses incurred	8,400,597	30,216,545	1,520,569	2,792,100	17,574,829	419,008,785	53,105,508	53,105,508	532,618,942						
Total losses and expenses	18,526,898	63,605,021	3,181,540	6,148,633	37,610,355	894,133,460	112,774,669	112,774,669	1,135,980,576						
UNDERWRITING GAIN OR LOSS	3,824,821	14,059,363	9,557,235	18,164,160	20,533,591	1,566,844	20,533,591	—334,967	23,170,177						
From Investments															
Interest and rents earned	\$1,476,903	\$3,892,167	\$954,591	\$1,912,454	\$83,262,418	\$3,244,149	\$83,262,418	\$7,012,954	\$101,755,636						
Profit on investments	2,186,832	5,042,956	1,498,562	6,009,873	248,061,770	8,081,243	248,061,770	10,083,344	280,964,580						
Total investment income earned	3,663,735	8,935,123	2,453,153	7,922,327	331,324,188	11,325,392	331,324,188	17,096,298	382,720,216						
Loss on investments	239,030	403,037	147,316	295,511	8,776,197	340,508	8,776,197	631,450	10,833,069						
Expenses incurred	227,025	939,124	58,907	96,571	7,449,499	233,035	7,449,499	778,513	9,782,674						
Total losses and expenses	466,075	1,342,161	206,223	392,082	16,225,696	573,543	16,225,696	1,409,963	20,615,743						
INVESTMENT GAIN OR LOSS	3,197,660	7,592,962	2,246,930	7,530,245	315,098,492	10,751,849	315,098,492	15,686,335	362,104,473						
From Miscellaneous Sources															
Stockholders' dividends declared	\$24,000	\$18,104	\$9,159,600	\$17,749,618	\$54,970,532	\$2,255,000	\$54,970,532	—	\$57,267,636						
Policyholders' dividends declared	5,073,349	15,681,216	—	—	664,330	—	664,330	—	48,328,113						
Receipts from home office	—	—	—	—	—	—	—	\$1,914,275	1,914,275						
Remittances to home office	—	—	—	—	—	—	—	—	—						
Special reserves	107,977	1,438,878	565,249	490,000	—	383,378	72,144,817	8,891,010	75,130,299						
Other gain or loss	231,010	1,383,070	463,748	514,197	—	463,913	15,107,510	4,054,470	13,183,152						
MISCELLANEOUS GAIN OR LOSS	5,436,336	18,521,268	10,190,597	18,753,815	142,887,189	2,174,465	142,887,189	2,922,265	200,885,935						
GAIN OR LOSS IN SURPLUS	1,586,145	3,131,057	1,613,568	6,940,590	151,677,712	7,010,540	151,677,712	12,429,103	184,388,715						
Percentages															
Losses incurred to premiums earned	45.26	43.19	13.09	13.85	54.45	55.67	54.45	52.99	52.11						
Underwriting expenses incurred to premiums earned	37.55	39.09	11.98	11.52	48.02	48.84	48.02	47.16	46.00						
Investment expenses incurred to interest and rents earned	15.37	24.13	6.17	5.05	7.18	7.18	8.95	11.10	9.61						
Losses, expenses and dividends to income earned	92.60	93.13	82.59	75.35	80.17	85.37	80.17	88.15	81.86						

* Minus sign indicates loss in surplus

The Commonwealth of Massachusetts

REPORT ON FIRES

DEPARTMENT OF PUBLIC SAFETY
DIVISION OF FIRE PREVENTION

Year Ending December 31, 1945

Report of Division of Fire Prevention

DEPARTMENT OF PUBLIC SAFETY
BOSTON, JULY 1, 1946

Commissioner of Insurance, 100 Nashua Street, Boston

I have the honor to submit in compliance with the provisions of section 7, chapter 148 of the General Laws, the forty-second annual report of this office on fires reported during the year ending December 31, 1945, as follows:

STATE, INCLUDING THE CITY OF BOSTON

The total number of fires reported throughout the State during the year 1945 was 8,916; of these 5,831 were in frame buildings, 2,129 in brick, stone or cement buildings, and 956 other than building fires.

Sound valuation of the property damaged by fire	\$363,688,670 00
Amount of insurance at risk thereon	411,626,830 00
Total loss thereon	15,079,999 36
Total insurance loss thereon	12,820,846 20
There were 149 fires of incendiary origin, or 1.67 per cent	
Total loss thereon	477,813 25
There were 303 fires of unknown origin, or 3.40 per cent	
Total loss thereon	3,060,041 79

STATE, NOT INCLUDING THE CITY OF BOSTON

The total number of fires reported in the State, not including the City of Boston, during the year 1945 was 6,395; of these 4,919 were in frame buildings, 1,003 in brick, stone or cement buildings, and 473 other than building fires.

Sound valuation of the property damaged by fire	\$232,829,019 00
Amount of insurance at risk thereon	262,922,682 00
Total loss thereon	11,712,662 28
Total insurance loss thereon	9,807,597 12
There were 136 fires of incendiary origin, or 2.13 per cent	
Total loss thereon	466,007 25
There were 174 fires of unknown origin, or 2.72 per cent	
Total loss thereon	1,814,754 76

CITY OF BOSTON

The total number of fires reported in the City of Boston during the year 1945 was 2,521; of these 912 were in frame buildings, 1,126 were in brick, stone or cement buildings, and 483 other than building fires.

Sound valuation of the property damaged by fire	\$130,859,651 00
Amount of insurance at risk thereon	148,704,148 00
Total loss thereon	3,367,337 08
Total insurance loss thereon	3,013,249 08

IN GENERAL

There were 8,916 fires reported during the year 1945, which is a decrease of 671 compared with the total for 1944. However, there was an increase of \$482,909 in the loss from fires during this period.

Of the total number of fires in 1945, 66% occurred in residential buildings. Also, 81% of the fatal fires occurred in residential buildings.

There were 77 fires which caused 97 deaths, including 47 men, 32 women and 18 children, which was 6 deaths less than the previous year.

During the year 73 arrests were made for incendiarism, which resulted in 62 convictions. There were 4 "not guilty" verdicts, 6 dismissals and 1 case pending.

EDWARD H. WHITTEMORE,
State Fire Marshal

RECORD OF DEATHS CAUSED BY FIRES

	<i>Men</i>	<i>Women</i>	<i>Children</i>	<i>Total</i>
State	42	25	13	80
Boston	5	7	5	17
Total	47	32	18	97

CAUSES OF FATAL FIRES

Careless smoking and careless use of matches	29
Heating apparatus:	
Cabinet and portable oil heaters	5
Range oil burners	5
Clothing, etc., igniting from stoves, etc.	4
Sparks from furnaces	3
Kindling fires with kerosene	2
Overheated cooking or heating appliances	2
Total	21
Ignition of volatile oils	9
Electrical causes	5
Children and matches	3
Explosions:	
Gas	1
Inflammable fluids	1
Wallpaper machine	1
Total	3
Unknown	7

TYPES OF BUILDINGS INVOLVED

Dwellings, including lodging houses and cabins	62
Factories	5
Dry cleaning establishment and laundry	2
Others:	
Automobiles, barn, boat, creamery, garage, hotel, storage	8

CAUSES OF LARGEST NUMBER OF FIRES — 1945

<i>Cause</i>	<i>No. of Fires</i>	<i>Loss</i>
1. Careless smoking and careless use of matches	2,529	\$3,255,324
2. Electrical causes (including automobiles)	1,292	2,269,618
3. Oil heaters:		
Portable and cabinet	326	
Power	264	
Range	303	
	893	1,022,876
4. Defective chimneys	514	637,456
5. Children and matches	497	435,917
6. Spontaneous ignition	414	1,029,391
7. Ignition of volatile oils and inflammable fluids (incl. autos)	350	391,874
8. Heating or lighting apparatus igniting merchandise	269	396,069
9. Overheated cooking or heating apparatus	234	323,493
10. Sparks from bonfires, brush, forest or grass fires	217	221,007

STATISTICS OF FIRES IN MASSACHUSETTS IN 1945.

The following table shows the number of fires occurring in the cities and towns of the Commonwealth, the character of the buildings in which they originated (whether brick, stone, cement, or frame), and the total valuation, total insurance at risk, total loss, and total insurance loss during the year:—

TABLE NO. 1.—Showing Number of Fires, Character of Building, Loss, etc.

CITY OR TOWN	NUMBER OF FIRES				BUILDINGS AND CONTENTS.			
	Total.	Frame or stucco.	Brick, stone, or cement.	Other than building fires.	Total Valuation.	Total Insurance.	Total Loss.	Total Insurance Loss.
Abington	15	13	-	2	\$64,950	\$67,350	\$19,170 03	\$16,363 03
Acton	-	-	-	-	-	-	-	-
Acushnet	4	4	-	-	8,610	6,000	5,885 00	3,160 00
Adams	10	6	3	1	72,050	94,350	45,526 70	45,526 70
Agawam	6	6	-	-	25,250	25,050	18,060 07	13,817 77
Alford	-	-	-	-	-	-	-	-
Amesbury	13	12	1	-	54,725	237,850	27,234 48	25,591 98
Amherst	10	9	1	-	76,000	56,200	37,612 73	17,964 72
Andover	15	12	3	-	123,575	321,705	6,514 51	5,533 01
Arlington	47	37	10	-	418,300	841,000	49,185 27	49,160 27
Ashburnham	6	6	-	-	8,350	10,250	7,135 80	6,355 15
Ashby	2	2	-	-	1,550	2,000	671 80	496 80
Ashfield	2	2	-	-	12,100	7,200	10,300 00	4,643 40
Ashland	5	5	-	-	13,950	15,500	3,920 59	2,470 59
Athol	28	24	3	1	205,330	399,250	30,088 76	26,788 76
ATTLEBORO	39	37	2	-	482,087	504,645	155,744 16	151,019 16
Auburn	4	3	1	-	124,200	126,400	45,950 00	24,150 00
Avon	-	-	-	-	-	-	-	-
Ayer	4	3	1	-	15,100	14,700	6,880 00	5,880 00
Barnstable	11	11	-	-	97,800	91,600	60,127 18	37,317 18
Barre	-	-	-	-	-	-	-	-
Becket	4	4	-	-	9,200	6,200	5,642 00	3,722 00
Bedford	-	-	-	-	-	-	-	-
Belchertown	6	6	-	-	8,925	8,125	4,465 00	465 00
Bellingham	6	6	-	-	27,650	23,900	12,784 67	9,175 00
Belmont	11	10	1	-	157,850	165,500	38,899 28	38,899 28
Berkeley	1	1	-	-	20,000	10,500	10,500 00	10,500 00
Berlin	-	-	-	-	-	-	-	-
Bernardston	6	5	1	-	10,200	12,500	2,450 00	2,242 50
BEVERLY	56	52	3	1	742,550	527,200	115,685 95	100,890 95
Billerica	28	27	1	-	118,373	114,235	50,329 50	39,373 46
Blackstone	-	-	-	-	-	-	-	-
Blandford	-	-	-	-	-	-	-	-
Bolton	-	-	-	-	-	-	-	-
Boston	2,521	912	1,126	483	130,859,651	148,704,148	3,367,337 08	3,013,249 08
Bourne	7	7	-	-	16,310	24,900	10,803 54	9,243 54
Boxborough	-	-	-	-	-	-	-	-
Boxford	2	2	-	-	13,000	-	13,500 00	-
Boylston	3	1	-	2	21,440	-	23,650 00	-
Braintree	36	28	-	8	414,300	326,300	14,523 54	14,063 54
Brewster	3	3	-	-	10,400	20,250	22,140 00	17,030 00
Bridgewater	20	18	1	1	243,115	522,335	24,734 81	21,169 81
Brimfield	-	-	-	-	-	-	-	-
BROCKTON	246	212	22	12	9,113,360	13,277,780	212,066 11	100,667 97
Brookfield	1	1	-	-	3,500	3,500	385 00	385 00
Brookline	59	27	32	-	1,120,100	1,646,650	91,894 11	91,894 11
Buckland	-	-	-	-	-	-	-	-
Burlington	4	4	-	-	1,255	500	1,130 00	500 00
CAMBRIDGE	136	88	47	1	7,364,270	7,148,170	331,749 91	331,434 91
Canton	6	5	1	-	577,750	981,500	16,910 42	15,980 42
Carlisle	-	-	-	-	-	-	-	-
Carver	-	-	-	-	-	-	-	-
Charlemont	2	2	-	-	1,755	1,000	555 00	300 00
Charlton	1	1	-	-	3,200	3,250	3,200 00	3,200 00
Chatham	7	5	-	2	10,500	-	5,475 00	-
Cheimsford	10	10	-	-	25,375	41,350	17,555 47	16,855 47
CHELSEA	99	63	35	1	1,174,850	1,080,600	219,958 00	214,648 00
Cheshire	3	2	-	1	13,200	6,300	4,315 00	2,788 25
Chester	1	1	-	-	2,200	-	900 00	-
Chesterfield	-	-	-	-	-	-	-	-
CHICOPPEE	132	76	28	28	73,730,473	69,065,461	68,045 64	54,321 58
Chilmark	-	-	-	-	-	-	-	-
Clarksburg	-	-	-	-	-	-	-	-
Clinton	16	12	4	-	217,510	193,755	25,960 90	25,710 90
Cohasset	5	5	-	-	44,000	47,100	2,243 50	1,243 50

TABLE No. 1.—Showing Number of Fires, etc.—Continued.

CITY OR TOWN	NUMBER OF FIRES				BUILDINGS AND CONTENTS.			
	Total.	Frame or stucco.	Brick, stone, or cement.	Other than building fires.	Total Valuation.	Total Insurance.	Total Loss.	Total Insurance Loss.
Colrain	1	1	-	-	\$5,000	\$600	\$1,100 00	\$600 00
Concord	2	2	-	-	28,000	29,000	27,500 00	23,100 00
Conway	2	2	-	-	3,700	2,500	350 00	299 98
Cummington	2	2	-	-	11,900	13,000	13,400 00	13,000 00
Dalton	9	8	-	1	22,550	28,970	7,283 94	6,015 80
Danvers	-	-	-	-	-	-	-	-
Dartmouth	5	3	2	-	32,300	20,300	17,436 74	10,578 74
Dedham	10	10	-	-	68,100	78,100	11,408 00	8,858 00
Deerfield	-	-	-	-	-	-	-	-
Dennis	3	3	-	-	3,300	2,000	3,300 00	2,000 00
Dighton	1	1	-	-	1,700	500	1,700 00	500 00
Douglas	-	-	-	-	-	-	-	-
Dover	-	-	-	-	-	-	-	-
Dracut	12	12	-	-	34,725	50,725	30,424 03	26,598 53
Dudley	4	4	-	-	39,500	34,000	3,942 75	3,942 75
Dunstable	-	-	-	-	-	-	-	-
Duxbury	7	6	1	-	19,500	20,000	5,675 00	3,193 51
East Bridgewater	8	8	-	-	42,050	40,465	20,705 07	16,959 50
East Brookfield	2	2	-	-	800	-	325 00	-
East Longmeadow	8	8	-	-	31,150	55,700	38,914 69	33,476 69
Eastham	-	-	-	-	-	-	-	-
Easthampton	11	9	1	1	47,050	38,500	14,832 35	10,282 35
Easton	16	14	-	2	45,050	89,000	27,959 00	24,226 00
Edgartown	2	2	-	-	2,400	2,500	570 00	370 00
Egremont	-	-	-	-	-	-	-	-
Erving	3	3	-	-	6,350	6,400	5,433 25	4,533 25
Essex	1	1	-	-	4,900	-	1,300 00	-
EVERETT	39	33	6	-	1,671,000	2,638,000	179,357 83	173,057 33
Fairhaven	6	5	-	1	7,570	12,390	3,960 00	3,170 64
FALL RIVER	55	50	5	-	1,202,400	1,230,550	152,552 51	150,093 63
Falmouth	39	26	1	12	1,521,365	1,538,682	29,089 52	28,079 52
FITCHBURG	44	30	13	1	1,709,800	1,418,325	151,473 50	147,855 50
Florida	-	-	-	-	-	-	-	-
Foxborough	18	17	-	1	44,950	36,550	12,693 00	11,968 00
Framingham	20	16	4	-	703,500	505,650	331,477 00	180,770 00
Franklin	4	4	-	-	17,800	17,900	19,040 00	13,440 00
Freetown	6	3	-	3	7,820	6,822	6,217 56	5,637 56
GARDNER	30	30	-	-	190,100	290,900	58,736 49	57,336 49
Gay Head	-	-	-	-	-	-	-	-
Georgetown	11	11	-	-	28,800	14,850	3,375 60	1,246 60
Gill	-	-	-	-	-	-	-	-
GLOUCESTER	99	92	4	3	1,070,300	786,300	87,827 36	87,262 36
Goshen	-	-	-	-	-	-	-	-
Gosnold	-	-	-	-	-	-	-	-
Grafton	-	-	-	-	-	-	-	-
Granby	2	2	-	-	8,550	6,900	8,830 00	5,775 00
Granville	1	1	-	-	600	-	600 00	-
Gt. Barrington	8	8	-	-	38,525	41,500	32,308 98	15,283 98
Greenfield	37	25	9	3	653,867	879,000	31,804 60	29,177 93
Groton	7	6	-	1	14,500	9,050	1,827 00	1,202 00
Groveland	-	-	-	-	-	-	-	-
Hadley	6	6	-	-	19,000	-	14,630 00	-
Halifax	6	5	-	1	8,175	11,000	4,942 00	4,067 00
Hamilton	4	4	-	-	13,200	12,500	10,950 00	9,356 54
Hampden	1	1	-	-	3,300	4,500	2,200 00	1,146 33
Hancock	-	-	-	-	-	-	-	-
Hanover	5	5	-	-	6,850	13,500	8,950 00	8,950 00
Hanson	7	7	-	-	23,400	33,800	5,066 70	4,177 20
Hardwick	2	2	-	-	19,800	8,600	24,400 00	8,400 00
Harvard	-	-	-	-	-	-	-	-
Harwich	3	2	-	1	7,800	10,500	10,500 00	9,200 00
Hatfield	1	1	-	-	3,500	3,240	3,500 00	3,240 00
HAVERHILL	122	90	32	-	1,931,680	2,289,145	274,574 63	231,075 60
Hawley	-	-	-	-	-	-	-	-
Heath	-	-	-	-	-	-	-	-
Hingham	24	24	-	-	162,050	126,200	16,122 95	11,712 95
Hinsdale	-	-	-	-	-	-	-	-
Holbrook	4	3	1	-	6,650	8,400	7,330 00	3,570 00
Holden	1	1	-	-	1,200	-	1,200 00	-
Holland	-	-	-	-	-	-	-	-
Holliston	8	7	1	-	29,075	35,100	12,029 75	10,559 75
HOLYOKE	142	35	91	16	2,365,779	3,905,725	208,911 06	190,673 45
Hopedale	5	5	-	-	9,600	16,500	8,825 00	7,925 00
Hopkinton	3	3	-	-	6,850	2,800	2,872 20	222 20
Hubbardston	7	7	-	-	9,400	14,150	4,364 77	2,837 99

TABLE No. 1.—Showing Number of Fires, etc.—Continued.

CITY OR TOWN	NUMBER OF FIRES				BUILDINGS AND CONTENTS.			
	Total.	Frame or stucco.	Brick, stone, or cement.	Other than building fires.	Total Valuation.	Total Insurance.	Total Loss.	Total Insurance Loss.
Hudson	31	28	2	1	\$320,100	\$239,100	\$42,517 72	\$37,397 72
Hull	14	14	—	—	68,400	75,700	32,844 00	27,394 00
Huntington	—	—	—	—	—	—	—	—
Ipswich	18	17	1	—	299,323	328,500	28,666 33	26,386 33
Kingston	2	1	1	—	18,850	16,750	18,425 00	13,425 00
Lakeville	3	3	—	—	6,100	13,000	3,600 00	3,500 00
Lancaster	—	—	—	—	—	—	—	—
Lanesborough	—	—	—	—	—	—	—	—
LAWRENCE	133	105	28	—	3,539,762	4,130,191	293,318 94	289,549 59
Lee	5	3	2	—	203,300	433,500	15,956 50	15,956 50
Leicester	2	2	—	—	5,900	3,800	2,150 00	200 00
Lenox	—	—	—	—	—	—	—	—
LEOMINSTER	41	37	4	—	414,489	486,014	38,888 48	30,793 48
Leverett	—	—	—	—	—	—	—	—
Lexington	12	12	—	—	86,350	183,325	11,149 17	8,671 77
Leyden	—	—	—	—	—	—	—	—
Lincoln	1	1	—	—	5,000	5,000	5,000 00	4,000 00
Littleton	2	2	—	—	67,175	14,850	67,750 00	14,850 00
Longmeadow	—	—	—	—	—	—	—	—
LOWELL	137	110	27	—	5,667,200	8,719,660	209,934 16	209,934 16
Ludlow	—	—	—	—	—	—	—	—
Lunenburg	1	1	—	—	3,500	2,500	420 00	420 00
LYNN	195	162	33	—	4,671,900	4,405,050	255,788 98	240,466 89
Lynnfield	3	3	—	—	11,500	7,500	13,800 00	7,500 00
MALDEN	111	87	21	3	2,743,873	2,509,495	154,481 18	142,718 18
Manchester	6	5	—	1	95,400	190,150	21,546 23	21,196 23
Mansfield	13	11	2	—	174,500	183,300	107,033 84	105,883 84
Marblehead	—	—	—	—	—	—	—	—
Marion	4	4	—	—	15,550	12,000	4,400 00	4,075 00
MARLBOROUGH	26	20	4	2	359,950	519,750	42,928 47	34,164 90
Marshfield	11	10	—	1	43,000	60,700	15,034 55	13,525 55
Mashpee	1	1	—	—	2,000	—	1,100 00	—
Mattapoisett	6	4	—	2	9,063	13,063	3,535 00	3,383 70
Maynard	8	7	1	—	47,250	52,450	5,426 00	5,426 00
Medfield	5	5	—	—	45,100	15,500	3,989 00	3,119 00
MEDFORD	223	140	25	58	1,981,350	575,710	315,869 32	254,005 57
Medway	9	8	—	1	13,595	17,475	4,661 00	4,371 00
MELROSE	36	34	2	—	185,000	203,100	25,901 91	25,901 91
Mendon	3	3	—	—	10,470	9,668	6,434 00	6,084 00
Merrimac	9	9	—	—	17,095	17,250	1,937 00	907 00
Methuen	35	26	2	7	14,484	330,225	37,493 00	30,086 50
Middleborough	18	16	2	—	89,050	134,400	29,789 06	25,464 06
Middlefield	1	1	—	—	2,900	2,660	425 00	175 00
Middleton	2	2	—	—	23,000	15,500	2,360 00	1,360 00
Milford	—	—	—	—	—	—	—	—
Millbury	4	3	1	—	1,035,600	1,028,500	19,500 00	17,341 00
Millis	3	3	—	—	62,450	900,000	4,756 00	4,456 00
Millville	1	1	—	—	4,000	2,750	547 00	547 00
Milton	10	9	1	—	84,790	225,021	118,743 07	109,903 27
Monroe	—	—	—	—	—	—	—	—
Monson	10	10	—	—	62,250	53,700	42,033 51	31,533 51
Montague	9	6	3	—	79,147	121,910	88,177 64	82,049 64
Monterey	—	—	—	—	—	—	—	—
Montgomery	—	—	—	—	—	—	—	—
Mt. Washington	—	—	—	—	—	—	—	—
Nahant	6	5	—	1	16,000	22,000	3,373 40	2,873 40
Nantucket	4	4	—	—	47,100	54,000	5,165 62	5,115 62
Natick	57	45	2	10	273,200	430,025	29,188 56	27,153 53
Needham	19	18	1	—	166,800	182,600	28,078 80	28,078 80
New Ashford	—	—	—	—	—	—	—	—
NEW BEDFORD	221	153	23	45	12,009,609	29,519,432	282,516 72	262,842 27
New Braintree	5	5	—	—	17,775	34,500	33,283 40	29,791 35
New Marlborough	5	4	—	1	36,155	30,000	36,534 00	5,879 00
New Salem	1	1	—	—	1,000	1,000	75 00	75 00
Newbury	—	—	—	—	—	—	—	—
NEWBURYPORT	24	16	8	—	935,850	881,200	218,016 85	163,516 85
NEWTON	155	90	34	31	1,668,901	2,015,723	109,358 90	103,752 21
Norfolk	1	1	—	—	2,500	—	2,500 00	—
NORTH ADAMS	49	40	4	5	337,600	217,950	36,539 94	34,567 94
North Andover	10	10	—	—	32,500	33,000	15,607 15	7,407 15
North Attleborough	7	6	1	—	49,450	42,100	64,000 00	39,100 00
North Brookfield	7	7	—	—	78,900	63,600	4,679 93	4,590 38
North Reading	11	11	—	—	12,700	25,100	18,675 00	16,825 00
NORTHAMPTON	58	51	7	—	1,043,141	907,650	135,213 23	65,526 26
Northborough	3	2	1	—	41,700	33,200	70,950 00	32,700 00

TABLE NO. 1.—*Showing Number of Fires, etc.—Continued.*

CITY OR TOWN	NUMBER OF FIRES				BUILDINGS AND CONTENTS.			
	Total.	Frame or stucco.	Brick, stone, or cement.	Other than building fires.	Total Valuation.	Total Insurance.	Total Loss.	Total Insurance Loss.
Northbridge	4	1	1	2	\$10,520	\$20,920	\$10,750 00	\$7,891 50
Northfield	6	6	-	-	8,205	3,400	6,882 86	120 86
Norton	1	1	-	-	1,100	-	1,400 00	-
Norwell	10	10	-	-	34,053	30,200	7,805 16	6,530 16
Norwood	6	4	2	-	92,700	104,350	22,346 96	16,810 01
Oak Bluffs	3	3	-	-	11,150	17,000	4,991 44	4,991 44
Oakham	-	-	-	-	-	-	-	-
Orange	18	17	1	-	53,610	69,800	15,742 10	13,372 10
Orleans	8	7	-	1	20,053	19,100	3,409 43	936 43
Otis	1	1	-	-	1,225	-	1,600 00	-
Oxford	13	12	1	-	40,675	45,200	15,341 01	9,146 01
Palmer	7	5	2	-	431,537	116,433	20,122 01	18,482 01
Paxton	-	-	-	-	-	-	-	-
PEABODY	66	62	4	-	3,599,858	3,648,239	119,109 00	109,018 00
Pelham	1	1	-	-	230	-	280 00	-
Pembroke	4	4	-	-	22,400	16,800	9,106 00	7,394 00
Pepperell	7	7	-	-	22,000	27,800	21,304 06	16,642 06
Peru	-	-	-	-	-	-	-	-
Petersham	1	1	-	-	1,100	1,500	1,500 00	1,500 00
Phillipston	2	2	-	-	2,275	1,300	2,939 00	1,664 00
PITTSFIELD	98	68	19	11	1,575,727	3,233,427	102,177 54	97,128 29
Plainfield	1	1	-	-	11,000	5,000	8,000 00	5,000 00
Plainville	1	1	-	-	300	-	300 00	-
Plymouth	7	6	-	1	17,800	20,375	14,442 00	13,142 00
Plympton	-	-	-	-	-	-	-	-
Princeton	1	1	-	-	2,000	-	450 00	-
Provincetown	8	6	-	2	15,475	13,950	-	1,006 00
QUINCY	91	80	5	6	1,408,500	1,263,850	310,919 85	251,094 85
Randolph	29	29	-	-	80,300	120,750	21,589 75	20,054 79
Raynham	3	3	-	-	25,800	38,100	22,172 55	20,872 55
Reading	4	4	-	-	26,200	14,500	4,003 75	403 75
Rehoboth	-	-	-	-	-	-	-	-
REVERE	91	71	8	12	1,477,650	1,014,400	115,632 00	84,372 70
Richmond	3	3	-	-	13,500	14,500	5,215 00	5,215 00
Rochester	3	3	-	-	9,000	1,500	6,575 00	75 00
Rockland	8	7	1	-	50,125	79,700	40,541 97	40,241 97
Rockport	12	12	-	-	37,675	39,550	6,908 27	4,849 37
Rowe	1	1	-	-	1,450	1,100	3,500 00	1,100 00
Rowley	2	2	-	-	5,600	8,500	6,580 00	5,963 00
Royalston	-	-	-	-	-	-	-	-
Russell	-	-	-	-	-	-	-	-
Rutland	1	1	-	-	10,000	9,600	3,411 36	3,411 36
SALEM	48	40	8	-	3,330,562	3,271,050	110,970 68	110,395 60
Salisbury	1	1	-	-	23,575	-	40,000 00	-
Sandisfield	3	3	-	-	7,800	2,500	7,800 00	2,500 00
Sandwich	-	-	-	-	-	-	-	-
Saugus	42	42	-	-	147,145	172,400	26,600 00	20,419 00
Savoy	-	-	-	-	-	-	-	-
Scituate	4	4	-	-	28,850	57,500	61,850 00	42,150 00
Seekonk	1	1	-	-	7,200	-	7,200 00	-
Sharon	-	-	-	-	-	-	-	-
Sheffield	6	5	1	-	8,600	6,000	3,334 77	3,184 77
Shelburne	-	-	-	-	-	-	-	-
Sherborn	-	-	-	-	-	-	-	-
Shirley	4	4	-	-	8,200	7,200	5,650 00	5,000 00
Shrewsbury	23	23	-	-	91,650	83,400	17,728 75	15,463 54
Shutesbury	-	-	-	-	-	-	-	-
Somerset	9	7	1	1	118,690	113,765	107,574 49	105,899 49
SOMERVILLE	217	170	30	17	2,654,704	3,246,304	210,327 25	196,294 25
South Hadley	13	7	2	4	104,050	662,450	24,532 01	22,152 01
Southampton	3	3	-	-	19,360	26,597	25,413 46	19,689 24
Southborough	3	3	-	-	20,800	15,500	5,590 00	3,547 00
Southbridge	25	22	3	-	554,200	4,032,700	29,672 28	21,842 28
Southwick	8	8	-	-	26,537	31,500	33,523 50	24,661 00
Spencer	10	10	-	-	79,600	91,850	51,995 27	51,995 27
SPRINGFIELD	410	211	107	92	8,615,340	9,533,014	677,745 66	539,589 21
Sterling	3	3	-	-	7,650	7,950	1,616 22	1,284 22
Stockbridge	1	1	-	-	5,000	-	4,500 00	-
Stoneham	11	10	1	-	101,200	87,000	42,623 91	41,873 91
Stoughton	10	9	1	-	144,100	130,500	17,132 30	16,832 30
Stow	3	3	-	-	5,600	7,000	6,660 00	4,510 00
Sturbridge	4	4	-	-	3,150	3,000	5,850 00	1,626 00
Sudbury	-	-	-	-	-	-	-	-
Sunderland	1	1	-	-	7,000	-	4,400 00	-
Sutton	2	2	-	-	4,025	-	3,200 00	-

TABLE NO. 1.—Showing Number of Fires, etc.—Concluded.

CITY OR TOWN	NUMBER OF FIRES				BUILDINGS AND CONTENTS.			
	Total.	Frame or stucco.	Brick, stone, or cement.	Other than building fires.	Total Valuation.	Total Insurance.	Total Loss.	Total Insurance Loss.
Swampscott	2	2	-	-	\$12,000	\$13,000	\$1,501 00	\$1,501 00
Swansea	11	11	-	-	35,950	19,800	30,978 40	7,378 40
TAUNTON	48	42	6	-	300,350	393,350	53,060 23	50,490 06
Templeton	3	2	1	-	18,000	17,195	16,646 78	15,646 78
Tewksbury	10	7	2	1	399,150	446,700	428,035 59	406,990 59
Tisbury	5	5	-	-	14,700	17,800	8,247 53	6,722 53
Tolland	-	-	-	-	-	-	-	-
Topsfield	-	-	-	-	-	-	-	-
Townsend	6	6	-	-	18,700	22,628	17,328 00	15,178 00
Truro	-	-	-	-	-	-	-	-
Tyngsborough	1	1	-	-	700	700	700 00	700 00
Tyringham	-	-	-	-	-	-	-	-
Upton	-	-	-	-	-	-	-	-
Uxbridge	7	6	1	-	133,000	138,000	12,335 72	12,000 32
Wakefield	20	14	3	3	224,110	243,582	73,497 06	70,787 06
Wales	2	2	-	-	4,000	3,500	150 00	100 00
Walpole	12	9	2	1	155,375	143,150	23,767 00	19,292 00
WALTHAM	102	74	19	9	1,062,640	1,232,908	110,598 40	99,113 40
Ware	10	7	3	-	652,150	634,750	16,995 95	13,575 75
Wareham	23	22	-	1	206,650	133,200	56,060 06	13,003 06
Warren	2	2	-	-	4,000	9,000	5,350 00	5,350 00
Warwick	-	-	-	-	-	-	-	-
Washington	-	-	-	-	-	-	-	-
Watertown	55	47	6	2	1,521,655	1,621,700	87,642 75	82,538 75
Wayland	8	7	-	1	15,900	30,800	10,420 50	9,520 50
Webster	48	47	1	-	217,700	168,650	15,641 68	14,641 68
Wellesley	37	30	7	-	1,217,778	1,175,980	101,110 71	96,760 71
Wellfleet	1	1	-	-	1,700	-	1,700 00	-
Wendell	-	-	-	-	-	-	-	-
Wenham	5	5	-	-	94,950	57,300	3,797 15	3,272 15
West Boylston	-	-	-	-	-	-	-	-
West Bridgewater	5	5	-	-	5,175	5,100	6,800 00	5,100 00
West Brookfield	9	9	-	-	18,275	20,680	14,705 00	6,831 00
West Newbury	2	2	-	-	1,675	2,479	595 00	591 00
West Springfield	62	44	7	11	479,578	609,695	61,875 83	46,647 74
West Stockbridge	2	2	-	-	3,200	3,700	1,400 00	1,400 00
West Tisbury	-	-	-	-	-	-	-	-
Westborough	1	1	-	-	2,000	-	2,000 00	-
WESTFIELD	57	49	6	2	570,680	552,450	43,184 20	33,147 12
Westford	9	9	-	-	17,050	3,000	20,510 00	1,800 00
Westhampton	-	-	-	-	-	-	-	-
Westminster	5	5	-	-	26,250	19,625	22,475 00	19,237 00
Weston	2	2	-	-	32,000	30,000	18,800 00	3,800 00
Westport	6	5	1	-	21,225	19,500	11,443 50	5,008 50
Westwood	-	-	-	-	-	-	-	-
Weymouth	61	59	1	1	411,005	491,330	79,345 66	69,960 66
Whately	2	2	-	-	1,435	4,000	775 00	470 00
Whitman	6	5	1	-	76,400	49,835	35,930 00	35,480 00
Wilbraham	9	9	-	-	19,755	25,380	11,140 00	10,999 00
Williamsburg	3	3	-	-	7,250	5,000	3,950 00	3,000 00
Williamstown	8	6	2	-	43,100	58,050	15,064 32	11,901 32
Wilmington	10	10	-	-	26,600	10,000	15,550 00	4,400 00
Winchendon	-	-	-	-	-	-	-	-
Winchester	32	23	2	7	168,601	171,226	52,386 28	44,478 78
Windsor	-	-	-	-	-	-	-	-
Winthrop	51	45	4	2	473,318	446,918	58,775 98	56,600 98
WOBURN	37	36	1	-	456,232	504,000	55,580 03	54,605 03
WORCESTER	370	251	114	5	47,970,705	46,431,970	555,147 53	555,147 53
Worthington	3	3	-	-	23,100	7,000	26,800 00	7,000 00
Wrentham	-	-	-	-	-	-	-	-
Yarmouth	7	6	-	1	12,450	13,400	9,868 00	8,168 00
Grand total	8,916	5,831	2,129	956	\$363,688,670	\$411,626,830	\$15,079,999 36	\$12,820,846 20
Total State, exclusive of Boston	6,395	4,919	1,003	473	\$232,829,019	\$262,922,682	\$11,712,662 28	\$9,807,597 12

TABLE NO. 2.—*Fires classified by Causes, Number of Fires from Cause and Loss.*
 ("S" signifies State, exclusive of Boston; "B" signifies Boston.)

CAUSE.	Number of Fires.	Loss.	
		Buildings.	Contents.
Boiling over of fat, tar, oils, etc.	S. 131 B. 27	\$88,554 11 31,259 50	\$54,957 45 7,756 45
Total, buildings		\$119,813 61	\$62,713 90
Total, contents		62,713 90	
Total, buildings and contents	158	\$182,527 51	
Burning soot	S. 58 B. 14	\$9,344 30 2,380 60	\$1,445 41 789 00
Total, buildings		\$11,724 90	\$2,234 41
Total, contents		2,234 41	
Total, buildings and contents	72	\$13,959 31	
Careless fumigation	S. 2 B. 2	\$264 55 500 67	\$372 50 91 00
Total, buildings		\$765 22	\$463 50
Total, contents		463 50	
Total, buildings and contents	4	\$1,228 72	
Careless smoking	S. 1,427 B. 849	\$1,423,668 45 360,089 14	\$1,030,484 88 208,845 95
Total, buildings		\$1,783,757 59	\$1,239,330 83
Total, contents		1,239,330 83	
Total, buildings and contents	2,276	\$3,023,088 42	
Careless use of matches	S. 171 B. 82	\$109,777 31 53,668 15	\$52,710 74 16,080 19
Total, buildings		\$163,445 46	\$68,790 93
Total, contents		68,790 93	
Total, buildings and contents	253	\$232,236 39	
Children and matches	S. 376 B. 121	\$216,388 15 31,359 25	\$178,970 96 9,198 99
Total, buildings		\$247,747 40	\$188,169 95
Total, contents		188,169 95	
Total, buildings and contents	497	\$435,917 35	
Defective chimneys	S. 448 B. 66	\$378,501 62 64,713 35	\$171,696 50 22,544 73
Total, buildings		\$443,214 97	\$194,241 23
Total, contents		194,241 23	
Total, buildings and contents	514	\$637,456 20	
Defective construction	S. 4 B. —	\$12,830 93 —	\$11,000 00 —
Total, buildings		\$12,830 93	\$11,000 00
Total, contents		11,000 00	
Total, buildings and contents	4	\$23,830 93	
Defective heating apparatus	S. 54 B. 3	\$41,936 95 3,778 00	\$17,743 35 791 75
Total, buildings		\$45,714 95	\$18,535 10
Total, contents		18,535 10	
Total, buildings and contents	57	\$64,250 05	

TABLE NO. 2.—*Fires classified by Causes, etc.*—Continued.

("S" signifies State, exclusive of Boston; "B" signifies Boston.)

CAUSE.	Number of Fires.	Loss.	
		Buildings.	Contents.
Defective heating apparatus	S. 204	\$194,099 68	\$146,018 57
(Oil burning)	B. 60	65,682 30	17,123 01
Total, buildings		\$259,781 98	\$163,141 58
Total, contents		163,141 58	
Total, buildings and contents	264	\$422,923 56	
Electrical causes	S. 668	\$1,226,199 84	\$675,629 40
	B. 239	256,045 88	71,711 40
Total, buildings		\$1,482,245 72	\$747,340 80
Total, contents		747,340 80	
Total, buildings and contents	907	\$2,229,586 52	
Electrical causes	S. 198	—	\$29,006 35
(Automobiles)	B. 187	—	11,025 58
Total, buildings		—	\$40,031 93
Total, contents		\$40,031 93	
Total, buildings and contents	385	\$40,031 93	
Escaping gas igniting	S. 7	\$2,540 00	\$623 76
	B. 4	15,681 75	4,813 10
Total, buildings		\$18,221 75	\$5,437 86
Total, contents		5,437 86	
Total, buildings and contents	11	\$23,659 61	
Explosion of lamp, lantern or stove	S. 23	\$42,550 95	\$12,929 66
	B. 4	11,560 00	200 00
Total, buildings		\$54,110 95	\$13,129 66
Total, contents		13,129 66	
Total, buildings and contents	27	\$67,240 61	
Exposure *	S. 153	\$104,837 19	\$36,935 56
	B. 117	75,143 09	38,820 60
Total, buildings		\$179,980 28	\$75,756 16
Total, contents		75,756 16	
Total, buildings and contents	270	\$255,736 44	
Fireworks	S. 5	\$4,897 68	\$550 65
	B. —	—	—
Total buildings		\$4,897 68	\$550 65
Total, contents		550 65	
Total, buildings and contents	5	\$5,448 33	
Friction	S. 9	\$873 34	\$5,637 29
	B. 7	6,468 05	9,111 61
Total, buildings		\$7,341 39	\$14,748 90
Total, contents		14,748 90	
Total, buildings and contents	16	\$22,090 29	
Gas and electric irons	S. 73	\$104,828 50	\$70,103 20
	B. 21	7,702 10	5,578 92
Total, buildings		\$112,530 60	\$75,682 12
Total, contents		75,682 12	
Total, buildings and contents	94	\$188,212 72	

TABLE NO. 2.—*Fires classified by Causes, etc.*—Continued.

("S" signifies State, exclusive of Boston; "B" signifies Boston.)

CAUSE.	Number of Fires.	Loss.	
		Buildings.	Contents.
Grease in ventilator igniting	S. 6 B. 1	\$3,667 95 409 50	\$656 34 98 80
Total, buildings		\$4,077 45	\$755 14
Total, contents		755 14	
Total, buildings and contents	7	\$4,832 59	
Heating or lighting apparatus igniting merchandise, etc.	S. 186 B. 83	\$160,089 90 67,828 94	\$136,870 24 31,279 92
Total, buildings		\$227,918 84	\$168,150 16
Total, contents		168,150 16	
Total, buildings and contents	269	\$396,069 00	
Hot ashes	S. 103 B. 27	\$111,980 75 15,296 74	\$40,002 38 3,076 50
Total, buildings		\$127,277 49	\$43,078 88
Total, contents		43,078 88	
Total, buildings and contents	130	\$170,356 37	
Incendiary	S. 136 B. 13	\$353,246 50 5,900 00	\$112,760 75 5,906 00
Total, buildings		\$359,146 50	\$118,666 75
Total, contents		118,666 75	
Total, buildings and contents	149	\$477,813 25	
Lighting fire with kerosene or gasoline	S. 1 B. —	— —	\$5 00 —
Total, buildings		—	\$5 00
Total, contents		\$5 00	
Total, buildings and contents	1	\$5 00	
Lightning	S. 95 B. 6	\$158,449 11 7,897 00	\$45,684 15 5,764 60
Total, buildings		\$166,346 11	\$51,448 75
Total, contents		51,448 75	
Total, buildings and contents	101	\$217,794 86	
Malicious mischief	S. 103 B. 92	\$82,234 94 62,921 81	\$25,153 88 1,586 00
Total, buildings		\$145,156 75	\$26,744 88
Total, contents		26,744 88	
Total, buildings and contents	195	\$171,901 63	
Mechanics' torches	S. 52 B. 21	\$54,402 43 17,587 65	\$26,652 09 24,397 37
Total, buildings		\$71,990 08	\$51,049 46
Total, contents		51,049 46	
Total, buildings and contents	73	\$123,039 54	
Miscellaneous	S. 4 B. —	\$534 40 —	\$50 00 —
Total, buildings		\$534 40	\$50 00
Total, contents		50 00	
Total, buildings and contents	4	\$584 40	

TABLE NO. 2.—*Fires classified by Causes, etc.*—Continued.

("S" signifies State, exclusive of Boston; "B" signifies Boston.)

CAUSE.	Number of Fires.	Loss.	
		Buildings.	Contents.
Overheated cooking and heating apparatus	S. 216 B. 18	\$209,250 62 18,696 66	\$87,630 27 7,916 03
Total, buildings		\$227,947 28	\$95,546 30
Total, contents		95,546 30	
Total, buildings and contents	234	\$323,493 58	
Range oil burners	S. 248 B. 55	\$132,300 88 39,049 97	\$53,179 94 17,018 69
Total, buildings		\$171,350 85	\$70,198 63
Total, contents		70,198 63	
Total, buildings and contents	303	\$241,549 48	
Rats and matches	S. 19 B. —	\$14,168 18 —	\$6,807 44 —
Total, buildings		\$14,168 18	\$6,807 44
Total, contents		6,807 44	
Total, buildings and contents	19	\$20,975 62	
Sparks from bonfires, brush	S. 191	\$151,728 74	\$47,855 63
Forest or grass fires	B. 26	15,531 60	5,891 02
Total, buildings		\$167,260 34	\$53,746 65
Total, contents		53,746 65	
Total, buildings and contents	217	\$221,006 99	
Sparks from chimneys	S. 80 B. 42	\$62,745 46 22,390 42	\$11,178 28 3,383 15
Total, buildings		\$85,135 88	\$14,561 43
Total, contents		14,561 43	
Total, buildings and contents	122	\$99,697 31	
Sparks from furnaces, forges, stoves or fireplaces	S. 76 B. 22	\$65,942 03 24,037 75	\$20,504 34 9,222 93
Total, buildings		\$89,979 78	\$29,727 27
Total, contents		29,727 27	
Total, buildings and contents	98	\$119,707 05	
Sparks from locomotives	S. 3 B. 5	\$2,225 00 50 00	\$1,000 00 678 00
Total, buildings		\$2,275 00	\$1,678 00
Total, contents		1,678 00	
Total, buildings and contents	8	\$3,953 00	
Spontaneous ignition	S. 336 B. 78	\$519,518 26 121,602 74	\$257,778 09 130,492 03
Total, buildings		\$641,121 00	\$388,270 12
Total, contents		388,270 12	
Total, buildings and contents	414	\$1,029,391 12	
Thawing water pipes	S. 35 B. 14	\$22,422 77 5,624 95	\$4,669 30 1,103 40
Total, buildings		\$28,047 72	\$5,772 70
Total, contents		5,772 70	
Total, buildings and contents	49	\$33,820 42	

TABLE NO. 2.—*Fires classified by Causes, etc.*—Concluded.

("S" signifies State, exclusive of Boston; "B" signifies Boston.)

CAUSE.	Number of Fires.	Loss.	
		Buildings.	Contents.
Unknown	S. 163 B. 117	\$1,086,674 12 674,144 99	\$714,113 88 538,534 11
Total, buildings		\$1,760,819 11	\$1,252,647 99
Total, contents		1,252,647 99	
Total, buildings and contents	280	\$3,013,467 10	
Unknown, suspicious	S. 11 B. 12	\$8,640 76 26,359 00	\$5,326 00 6,248 93
Total, buildings		\$34,999 76	\$11,574 93
Total, contents		11,574 93	
Total, buildings and contents	23	\$46,574 69	
Volatile oils and inflammable liquids, ignition of	S. 85 B. 22	\$212,268 44 17,830 51	\$82,036 19 19,445 00
Total, buildings		\$230,098 95	\$101,481 19
Total, contents		101,481 19	
Total, buildings and contents	107	\$331,580 14	
Volatile oils and inflammable	S. 128	—	\$48,367 64
liquids, ignition of (Autos)	B. 115	—	11,926 42
Total, buildings		—	\$60,294 06
Total, contents		\$60,294 06	
Total, buildings and contents	243	\$60,294 06	
Portable and cabinet oil burners	S. 260 B. 66	\$169,730 27 65,337 30	\$85,016 91 38,319 23
Total, buildings		\$235,067 57	\$123,336 14
Total, contents		123,336 14	
Total, buildings and contents	326	\$358,403 71	
Grand total	8,916	\$15,079,999 36	

* Exposures not included in Grand total.

TABLE NO. 3.—*Giving Description of Property, Number of Fires, and Loss.*

("S" signifies State, exclusive of Boston; "B" signifies Boston.)

PROPERTY	Number of Fires.	Loss.	
		Buildings.	Contents.
Aircraft	S. — B. —	—	—
Total	—	—	—
Automobiles	S. 441 B. 431	—	\$95,986 10 42,682 68
Total	872	—	\$138,668 78
Bakeries	S. 5 B. 4	\$2,129 94 9,646 98	\$4,007 20 13,819 00
Total	9	\$11,776 92	\$17,826 20
Banks	S. 2 B. —	\$465 00	—
Total	2	\$465 00	—
Barber shops and beauty parlors	S. 4 B. 2	\$700 00	\$50 00 50 00
Total	6	\$700 00	\$100 00

TABLE No. 3.—*Giving Description of Property, etc.*—Continued.

("S" signifies State, exclusive of Boston; "B" signifies Boston.)

PROPERTY	Number of Fires.	Loss.	
		Buildings.	Contents.
Barns and stables	S. 169 B. 13	\$373,664 35 60,142 94	\$207,845 06 23,817 50
Total	182	\$433,807 29	\$231,662 56
Blacksmith shops	S. 3 B. —	\$550 00 —	— —
Total	3	\$550 00	—
Boarding and lodging houses and dormitories	S. 64 B. 109	\$47,578 03 89,170 57	\$9,417 50 13,258 08
Total	173	\$136,748 60	\$22,675 58
Boats	S. 5 B. 18	\$3,216 00 63,865 14	— —
Total	23	\$67,081 14	—
Bowling alleys	S. 8 B. 4	\$32,686 98 3,409 25	\$1,422 31 2,150 86
Total	12	\$36,096 23	\$3,573 17
Bridges	S. 4 B. —	\$150,400 00 —	— —
Total	4	\$150,400 00	—
Buildings in process of construction	S. — B. —	— —	— —
Total	—	—	—
Business blocks and office buildings	S. 52 B. 32	\$202,880 34 102,749 38	\$252,779 45 36,269 48
Total	84	\$305,629 72	\$289,048 93
Carpenter shops	S. 5 B. —	\$1,587 00 —	\$1,164 50 —
Total	5	\$1,587 00	\$1,164 50
Churches	S. 15 B. 2	\$82,667 27 2,490 00	\$10,606 00 —
Total	17	\$85,157 27	\$10,606 00
Cloak and suit or clothing factories or shops	S. 2 B. 3	\$123 73 4,116 50	\$1,502 45 12,119 77
Total	5	\$4,240 23	\$13,622 22
Clothing or furnishing stores	S. 7 B. 1	\$4,552 00 —	\$20,873 94 10 00
Total	8	\$4,552 00	\$20,883 94
Club and lodge rooms	S. 41 B. 6	\$71,328 15 3,258 40	\$22,703 28 525 00
Total	47	\$74,586 55	\$23,228 28
Coal yards	S. 5 B. 2	\$23,740 00 107,214 49	\$28,341 78 200 00
Total	7	\$130,954 49	\$28,541 78
Cotton mills	S. 1 B. —	— —	\$300 00 —
Total	1	—	\$300 00
Department stores	S. 5 B. 2	\$2,711 74 30,000 00	\$1,515 00 7,300 00
Total	7	\$32,711 74	\$8,815 00

TABLE No. 3.—*Giving Description of Property, etc.*—Continued.

("S" signifies State, exclusive of Boston; "B" signifies Boston.)

PROPERTY	Number of Fires.	Loss.	
		Buildings.	Contents.
Docks and wharves	S. — B. 3	— \$2,552 10	— \$3,831 82
Total	3	\$2,552 10	\$3,831 82
Drug factories	S. — B. —	— —	— —
Total	—	—	—
Drug stores	S. 7 B. 7	\$10,766 03 496 20	\$21,897 42 2,022 17
Total	14	\$11,262 23	\$23,919 59
Dry cleaning and dyeing establishments	S. 16 B. 2	\$85,293 14 —	\$88,901 37 1,525 00
Total	18	\$85,293 14	\$90,426 37
Dwellings	S. 3,760 B. 1,093	\$2,904,170 69 696,437 52	\$1,011,874 05 243,011 06
Total	4,853	\$3,600,608 21	\$1,254,885 11
Factories and workshops not otherwise listed	S. 195 B. 51	\$504,293 40 95,498 77	\$312,164 73 139,450 55
Total	246	\$599,792 17	\$451,615 28
Food and canning plants	S. 33 B. 19	\$195,420 71 50,209 58	\$414,001 12 42,401 49
Total	52	\$245,630 29	\$456,402 61
Foundries	S. 21 B. 5	\$52,406 77 6,035 10	\$16,361 89 6,934 01
Total	26	\$58,441 87	\$23,295 90
Garages	S. 207 B. 40	\$154,559 22 22,218 99	\$175,358 14 13,935 24
Total	247	\$176,778 21	\$189,293 38
Gas and electrical plants	S. — B. 2	— \$5,000 00	— \$15 00
Total	2	\$5,000 00	\$15 00
Greenhouses	S. 6 B. 1	\$3,017 00 45 00	\$2,625 00 —
Total	7	\$3,062 00	\$2,625 00
Halls	S. 11 B. 6	\$23,105 32 15,846 00	\$5,336 00 689 00
Total	17	\$38,951 32	\$6,025 00
Hat and cap factories or shops	S. — B. —	— —	— —
Total	—	—	—
Henneries	S. 97 B. 2	\$39,163 81 534 00	\$27,558 95 —
Total	99	\$39,697 81	\$27,558 95
Hosieries	S. — B. —	— —	— —
Total	—	—	—
Hospitals	S. 5 B. 19	\$1,173 46 905 90	\$3 00 1,005 00
Total	24	\$2,079 36	\$1,008 00

TABLE No. 3.—*Giving Description of Property, etc.*—Continued.

('S' signifies State, exclusive of Boston; "B" signifies Boston.)

PROPERTY	Number of Fires.	Loss.	
		Buildings.	Contents.
Hotels	S. 37 B. 13	\$138,371 55 27,208 34	\$62,696 38 7,705 13
Total	50	\$165,579 89	\$70,401 51
Ice houses	S. 8 B. —	\$198,047 50 —	\$21,373 00 —
Total	8	\$198,047 50	\$21,373 00
Jewelry and watch factories	S. — B. 1	— —	— \$45 00
Total	1	—	\$45 00
Junk and rag shops	S. 15 B. 5	\$7,599 46 6,743 00	\$8,990 51 2,500 00
Total	20	\$14,342 46	\$11,490 51
Laundries	S. 19 B. 8	\$17,563 97 7,276 95	\$14,751 24 10,692 74
Total	27	\$24,840 92	\$25,443 98
Leather establishments	S. 15 B. 2	\$10,429 57 30,233 25	\$36,832 62 108,906 75
Total	17	\$40,662 82	\$145,739 37
Lumber yards	S. 10 B. 2	\$125,984 03 1,906 42	\$3,421 62 6,899 17
Total	12	\$127,890 45	\$10,320 79
Machine shops	S. 7 B. 6	\$15,803 74 4,072 72	\$29,079 05 1,222 50
Total	13	\$19,876 46	\$30,301 55
Novelty and toy shops	S. 11 B. 3	\$3,254 00 —	\$1,945 10 150 00
Total	14	\$3,254 00	\$2,095 10
Out buildings	S. 76 B. 45	\$20,455 00 11,779 72	\$13,923 50 1,710 00
Total	121	\$32,234 72	\$15,633 50
Paint shops	S. 6 B. 1	\$7,867 59 804 80	\$7,184 48 —
Total	7	\$8,672 39	\$7,184 48
Paper mills	S. 11 B. 1	\$7,380 34 500 00	\$17,654 91 —
Total	12	\$7,880 34	\$17,654 91
Photograph studios	S. — B. 1	— —	— \$200 00
Total	1	—	\$200 00
Plumbing shops	S. 1 B. 2	\$1,772 00 2,422 00	\$288 00 1,115 14
Total	3	\$4,194 00	\$1,403 14
Pool and billiard rooms	S. 3 B. —	\$6,018 00 —	\$1,200 00 —
Total	3	\$6,018 00	\$1,200 00
Printing establishments and newspaper plants	S. 7 B. 6	\$1,696 46 16,908 16	\$5,868 83 12,485 62
Total	13	\$18,604 62	\$18,354 45
Public buildings and other public property	S. 24 B. 6	\$115,573 77 26,330 00	\$23,533 73 8,200 00
Total	30	\$141,903 77	\$31,733 73

TABLE No. 3.—*Giving Description of Property, etc.*—Concluded.

("S" signifies State, exclusive of Boston; "B" signifies Boston.)

PROPERTY	Number of Fires.	Loss.	
		Buildings.	Contents.
Railroad buildings and rolling stock.	S. 15 B. 4	\$20,741 83 —	\$2,807 00 2,000 00
Total	19	\$20,741 83	\$4,807 00
Restaurants	S. 73 B. 29	\$103,145 29 40,916 63	\$35,571 09 33,609 76
Total	102	\$144,061 92	\$69,180 85
Schools and academies, private	S. 12 B. 4	\$242,556 00 3,030 00	\$30,154 87 150 12
Total	16	\$245,586 00	\$30,304 99
Schools, public	S. 15 B. 8	\$195,580 33 27,800 00	\$12,103 00 5,870 00
Total	23	\$223,380 33	\$17,973 00
Storehouses and warehouses	S. 141 B. 37	\$280,902 55 66,285 00	\$352,237 35 52,275 47
Total	178	\$347,187 55	\$404,512 82
Shoe factories	S. 30 B. 1	\$12,369 76 200 00	\$61,988 09 300 00
Total	31	\$12,569 76	\$62,288 09
Stores and dwellings	S. 219 B. 220	\$367,403 31 196,564 14	\$190,809 89 76,478 82
Total	439	\$563,967 45	\$267,288 71
Stores, retail, unclassified	S. 324 B. 181	\$339,501 71 263,151 86	\$477,674 51 300,108 47
Total	505	\$602,653 57	\$777,782 98
Summer cottages and camps	S. 48 B. —	\$70,850 84 —	\$9,066 12 —
Total	48	\$70,850 84	\$9,066 12
Tailor shops	S. 3 B. 3	\$325 00 —	\$650 00 60 00
Total	6	\$325 00	\$710 00
Tanneries	S. — B. —	— —	— —
Total	—	—	—
Theatres	S. 4 B. 4	\$82,938 80 1,599 38	\$13,283 64 964 00
Total	8	\$84,538 18	\$14,247 64
Unclassed	S. 53 B. 47	\$57,374 64 10,997 09	\$86,768 97 5,029 41
Total	100	\$68,371 73	\$91,798 38
Underwear factories	S. 1 B. —	\$200 00 —	— —
Total	1	\$200 00	—
Woodworking plants with power	S. 7 B. 2	\$6,909 75 814 00	\$8,613 67 2,250 00
Total	9	\$7,723 75	\$10,863 67
Woolen mills	S. 4 B. —	\$6,511 00 —	\$8,117 00 —
Total	4	\$6,511 00	\$8,117 00
Grand total	8,916	\$9,558,864 14	\$5,521,135 22
Total State, exclusive of Boston	6,395	\$7,439,477 87	\$4,273,184 41

TABLE NO. 4.—*Number of Incendiary and Unknown Fires in the State, exclusive of Boston, and in Boston, and the Number of Arrests and Convictions in the State, from the Year 1915 to 1945, inclusive.*

YEAR	STATE, EXCLUSIVE OF BOSTON.		BOSTON.		STATE.	
	Incen- diary.	Un- known.	Incen- diary.	Un- known.	Arrests.	Convic- tions.
1915	146	617	29	351	78	49
1916	134	540	21	267	141	69
1917	110	446	16	241	71	32
1918	65	375	12	185	46	29
1919	59	415	6	219	32	24
1920	44	294	7	179	25	13
1921	78	552	2	128	59	24
1922	82	301	9	139	48	28
1923	98	291	7	141	82	47
1924	102	345	17	151	49	16
1925	111	291	7	203	89	41
1926	89	333	9	261	88	54
1927	147	314	38	177	86	45
1928	91	304	35	107	66	38
1929	130	301	15	160	182	109
1930	129	360	20	205	104	48
1931	171	534	24	238	226	89
1932	225	792	21	393	*241	*163
1933	158	518	7	290	*129	*194
1934	168	433	12	210	*151	*105
1935	129	361	5	201	*218	*153
1936	141	273	15	147	*94	*66
1937	173	300	16	159	*174	*167
1938	148	272	12	176	*139	*108
1939	112	373	9	266	*72	*75
1940	150	358	13	210	*146	*134
1941	136	269	2	204	*120	*122
1942	58	179	8	148	*31	*36
1943	118	193	8	148	*74	*62
1944	135	203	12	156	*71	*60
1945	136	174	13	129	73	62

*Exclusive of Boston.

TABLE NO. 5.—*Number of Fires in State and Loss from Same from the Year 1915 to 1945, inclusive.*

YEAR.	Total Number of Fires	State exclusive of Boston.	Boston	Total Loss.
1915	8,030	5,501	2,229	\$9,693,872 18
1916	7,101	5,246	1,855	9,729,755 27
1917	7,193	5,257	1,936	11,656,411 95
1918	6,814	5,054	1,760	11,988,685 58
1919	6,888	4,970	1,918	10,080,926 41
1920	6,111	4,479	1,632	12,257,037 23
1921	7,188	5,338	1,850	15,587,906 56
1922	8,199	6,022	2,097	14,745,779 61
1923	8,666	6,422	2,244	19,022,080 04
1924	9,436	6,826	2,610	22,243,991 53
1925	9,166	6,572	2,594	18,622,675 93
1926	9,469	6,803	2,666	20,873,310 27
1927	8,681	6,175	2,506	15,201,324 87
1928	8,541	6,063	2,478	17,859,327 94
1929	8,914	6,202	2,712	16,284,559 09
1930	9,276	6,550	2,726	18,159,364 42
1931	9,555	6,652	2,903	16,777,176 37
1932	10,677	7,715	2,962	18,026,358 49
1933	9,409	6,751	2,658	11,401,639 21
1934	8,936	6,427	2,509	11,311,502 92
1935	8,901	6,396	2,505	9,805,391 65
1936	8,553	6,146	2,407	10,251,304 62
1937	8,652	6,231	2,421	9,875,501 86
1938	8,371	6,081	2,290	11,288,398 60
1939	9,645	6,797	2,848	11,592,001 39
1940	9,689	6,953	2,736	12,437,016 26
1941	10,123	7,081	3,042	30,308,482 90
1942	8,466	5,836	2,630	12,725,957 12
1943	9,372	6,537	2,835	12,420,236 82
1944	9,587	6,655	2,932	14,597,090 03
1945	8,916	6,395	2,521	15,079,999 36

TABLE No. 6.—Number of Fires in State classified by Causes and Property—Concluded.

PROPERTY.	CAUSES																							TOTAL.																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																					
	Boiling over of fats, etc.	Burning soot.	Careless fumigation.	Careless smoking.	Careless use of matches.	Children and matches.	Defective chimneys.	Defective construction.	Defective heating apparatus.	Defective heating apparatus. (oil burning)	Electrical causes.	Electrical causes (autos)	Escaping gas igniting.	Explosion of lamp, etc.	*Exposure	Fireworks.	Friction.	Gas and electric irons.	Grease in ventilator igniting.	Heating or lighting apparatus igniting merchandise.	Hot ashes.	Incendiary.	Lighting fire with kerosene.		Lightning.	Malicious mischief.	Mechanics' torches.	Miscellaneous.	Range oil burners.	Overheated cooking or heating apparatus.	Rats and matches.	Sparks from bonfires, etc.	Sparks from chimneys.	Sparks from furnaces, etc.	Sparks from locomotives.	Spontaneous ignition	Thawing water pipes.	Unknown.	Unknown, suspicious.	Volatile oils, ignition of	Volatile oils, ignition of (autos)	Portable oil burners																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																			
Hospitals	1	1	1	2	1	1	1	1	1	1	4	1	1	2	1	1	1	1	1	1	1	4	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1

*Exposures not included in totals

